ACTION IV (four)

EFAS Table (External Factor Analysis Table)

Using the information gathered from your SWOT analysis conducted in Unit II, create an external factor analysis (EFAS) table for the company you researched. Use Microsoft Word, or a similar program, to create your table. It should have five columns. The first column heading should be titled External Factors, the second column should be titled Weight, the third column should be titled Rating, the fourth column should be titled Weighted Score, and the fifth column should be titled Comments.

1. In the External Factors column, list at least six opportunities you saw in the company you researched. Underneath the opportunities, list at least six threats you saw in the company you researched.

2. In the Weight column, assign an importance factor to each of these issues. It is important to note that whenever working with weighted averages, the weight column should always total 1.0, or 100%, regardless of how many factors are included in the EFAS analysis. It is up to the analyst to decide how much weight each individual external factor is assigned based on the probable impact on a particular company's current strategic position. The higher the weight, the more important the factor to the current and future success of the company. An important factor may have a weight of 0.5 (50%), while a less important factor may have a weight of .05 (5%). When all is finished, however, all factor weights should total 1.0, or 100%. You may not be privy to the exact information for this company, so in somecases you will need to use your best judgment. (You will justify your weighting in column five.)

3. In the Rating column, assign a rating factor from 5.0-1.0 (5.0 is outstanding; 1.0 is poor). These ratings are based on the company's response to that particular factor. It is your judgment call on how the company is currently dealing with each specific factor. Once again, you may need to make an estimate in this area if you are not privy to all of the information. (You will justify your weighting in column five.)

4. In the Weighted Score column, multiply the weight from column 2 by the rating in column 3 to get the factor's weighted score.

5. In the Comments column, explain why a particular factor was selected and how its weight and rating were estimated.

6. At the bottom of column 4, add the weighted scores for the external factors. Is the company doing better or worse

than others in the same industry? Complete this answer underneath your table.

Formatted in the APA Style.