

5. SWOT Analysis

Explain the purpose of this chapter, how it relates to other parts of the project, and the expected outcomes.

In understanding a Calpine's strengths, weaknesses, opportunities, and threats through the well-recognized method of a SWOT analysis can assist in determining the company's competitive strategic positioning, in addition to its shortcomings within a the energy producing industry. A company's strengths should be the foundation of its organizational strategy, putting much dependence on its competitive assets in order to compete against its competitors and attract new or appeal to its customers. Its weaknesses should be viewed as not items that hold an organization back but options in which could ultimately benefit and provide opportunity for the organization to prosper and expand. These items can be time consuming and difficult to achieve but must be corrected in order to pursue opportunities. Opportunities are beneficial ways in which the organization can take advantage. Threats are considered to external environmental elements that can cause dismay to the company's performance. Its effectiveness is dependent upon how susceptible the organization really is.

5.1 Methodology

Discuss the process you went through to do the SWOT analysis. Explain which of the two methods you used and your teamwork process to formulate the recommendations based on the results of the previous chapters.

5.2 SWOT Matrix

The SWOT Matrix for Calpine Corporation can be seen below:

SWOT Analysis for Calpine Corporation	
Strengths	Weaknesses
➤ Clean Energy Producer ➤ Elasticity of Natural Gas Power Plants ➤ Diverse Operations	➤ Not a Global or Multi-Continent Organization ➤ Susceptible to North American Economic Conditions ➤ Dependence on Retail Energy Companies
Opportunities	Threats
➤ Population Growth presents an increase in Demand ➤ Investment Opportunities	➤ Government Regulations ➤ Competitive Nature of the Industry

5.3 Recommendations

Using the methods that discussed in the document titled "SWOT Analysis", explain how you combine the strength, weaknesses, opportunities, and threats to formulate the strategy recommendations. For each of the recommendations, please explain how it is related to the SWOT factors.

5.3 Recommendations – Ahmed's

Calpine Corporation is regarded as the leading geothermal power producers as well as North America's largest generator of electricity from natural gas and geothermal resources among Independent Power Producers. This competitive advantage is identified in the SWOT matrix in section 5.2. In order to improve upon this advantage, we recommend that:

1. Calpine needs to expand its geothermal and natural gas power plants.

- We see this as an opportunity for further economic growth.
- Strengthen the competitive edge by capitalizing on its clean energy production by integrating wind and solar renewable resources into its production capabilities.
- Continued public policies and societal pressure on environmental responsibility and Greenhouse Gas emission is addressed.
- Calpine will further its strength by diversifying its operations.

This recommendation aligns with the company's mission statement and its commitment to being environmentally responsible and it stimulates growth as well.

2. Calpine needs to Hire, train, and retain competent personnel's. This could be achieved through:

- Collaboration with available secondary schools in the local areas in which its power plants are located to provide educational opportunities for people to be trained on/for job specific positions in which energy producing companies would require.
- The company should also look for experienced, talented, innovative and forward-thinking staff.
- Develop sound sourcing strategies with competent hiring firms.

The second recommendation turns threat into a competitive advantage. This is because by finding the best talents in the world, Calpine will have the right people in the right places. As a result the business will see increase productivity and stay ahead of its competitors.

6.0 Implementation

In this segment we want to give a general description of how Calpine Corporation should implement the recommendations that we addressed in section 5.3.

The first recommendation hinges on expansion. By expanding its operations and targeting key allies, Calpine will strengthen its competitive advantage through growth and economies of scale. This is possible because as a large firm Calpine buys in bulk and eventually reduces its unit cost. Also, by investing in clean energy, Calpine will be addressing the growing global concern of rising carbon emission. The other

In this section you should first list and explain each recommendation. Then you need to show how each recommendation is derived from the SWOT analysis. You can do so by relating each recommendation to multiple items in the SWOT matrix.

Strategy recommendations are broad and general directions for how the company tries to achieve competitive advantage. Such strategies require significant investment and allocation of considerable resources to accomplish. Therefore, implementing several recommendations at the same time can sometimes be next to impossible. In your project, you are expected to present between two and four recommendations.

recommendation also addresses an industry threat because all power producers compete for the best talents. The specifics and measurable objectives for these recommendations do however depend mainly on having a strong leadership that promotes these ideas.

6.1 Action Plans