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SWOT Analysis: Comparing *Internal Strengths and Weaknesses and External Opportunities and Threats* May Have Saved Viacom from Losing Spielberg and Geffen

LOS ANGELES, October 10, 2007—After DreamWorks creative superstars Steven Spielberg and David Geffen announced they would not be renewing their contract with parent company Viacom's Paramount Studios, Viacom CEO Philippe Dauman told the press last month the loss would be “completely immaterial” to his company. Is it a bluff? Or did Dauman not research the potentially catastrophic effects that losing this talent might have on his movie empire? Financial guru Gene Siciliano says there is a warning here for all business owners to heed.

“On a different scale, CEOs of much smaller companies face that same challenge every day—making decisions without doing adequate homework,” says Siciliano, a.k.a. “Your CFO for Rent®.” “In this case, that homework is called a SWOT analysis—a proven strategic planning tool that gives an organization critical visibility into its internal Strengths and Weaknesses and its external Opportunities and Threats.”

The bravado expressed by Viacom's boss may be the leading indicator of a bad decision that could cost the company at its bottom line. “Decisions by small company CEOs who don't have the benefits of SWOT insights can be even more costly, as their lack of financial depth may not allow as much room for bad judgments as Viacom has,” says Siciliano, a business consultant who has over 30 years of financial and general management experience.

What kinds of insights might a SWOT analysis give a CEO that he or she would not get otherwise?

- **Strengths:** A good hard look at their assets as a company, the things they do better than anyone else, the skills they have that are more leading edge or more brilliant or simply more efficient than the other guy's—skills they can leverage into gains in the marketplace if employed properly.
- **Weaknesses:** An even harder look at the company's liabilities, the areas where they are vulnerable to challenges by competitors, whether it be weak customer service, products that don't keep up with changing demand, or a pricing structure that doesn't recognize where the market is going.
- **Opportunities:** Openings in the marketplace for them to take advantage of events and circumstances outside the company, such as the identified weaknesses of key competitors or the sudden appearance of a market need that they can address before others recognize it.
- **Threats:** The looming entry into their market of a category-killing competitor, e.g. Wal-Mart offering generic prescriptions for \$4 or Amazon.com selling books

online at below book store prices, or the emergence of an internet telephone service taking a big bite out of traditional phone company revenues.

“These are examples we read about in the newspapers,” says Siciliano. “Yet every day small company CEOs are blindsided by these very things in their own companies that they might have seen if they had looked closely enough. Such analysis is not difficult to do, although it does require a certain objectivity about things we don’t always want to hear. Perhaps Mr. Dauman needs to take a closer look as well.”

For more information on Gene Siciliano, please visit his website at www.GeneSiciliano.com. To contact Gene for an interview, please contact Carolyn McKibbin at 617-230-4886 or Carolyn@IctusInitiative.com.

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