

What is a S.W.O.T. Analysis and why is it used?

- > It is a tool businesses use when examining a business and its environment.
- > It can be used by individuals as well to evaluate their personal strengths and weaknesses, and the environment around them.
- > It is in the first stage of planning and helps businesses focus on key issue facing the business both internally and externally.
- > Although it is frequently used in the first stage of planning, businesses use this tool throughout the businesses operation to gauge the current state of the business.

Key points in conducting a S.W.O.T. Analysis:

- > Keep your S.W.O.T. Analysis short and simple.
- > Use your S.W.O.T. Analysis to define your competitive advantage(s).
- > Use your S.W.O.T. Analysis to identify weaknesses and turn them into strengths.
- > Use your S.W.O.T. Analysis as feedback that leads to sound judgment in decisions directly impacting the business.
- > The two upper quadrants Strengths and Weaknesses refer to internal factors in the business.
- > The two lower quadrants Opportunities and Threats refer to external factors of the business.

See below for some examples of topics you may want to consider when conducting a S.W.O.T. Analysis.

INTERNAL FACTORS

STRENGTHS

- > Things you/your business does well
- > Your competitive advantage
- > Resources, assets or people
- > Assets like intellectual property, capital, innovations, location
- > Experience and knowledge
- > Price, value and/or quality
- > Unique Value Proposition

WEAKNESSES

- > Areas you/your business are weak in
- > Things your competitors do better
- > Limited resources or assets
- > Staffing issues
- > Cash flow problems
- > Supply chain weaknesses
- > Reliability or poor operations
- > Customer relationships/marketing

EXTERNAL FACTORS

OPPORTUNITIES

- > Opportunities for growth & profit
- > Moving into a new or developing market or market segment
- > Innovation of technology
- > Trends in the industry
- > Few competitors in area
- > Marketing opportunities
- > Partnership opportunities

THREATS

- > Emerging competitors
- > Changes in regulations, trade barriers
- > Negative media coverage
- > Changing customer preferences
- > Environmental concerns
- > Unique obstacles to your business
- > Poor operations or financials