



THE S-W-O-T ANALYSIS

A SWOT analysis is a strategic planning method used to evaluate the Strengths, Weaknesses, Opportunities, and Threats involved in a project or in a business venture. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieving that objective. A SWOT analysis should begin by defining the desired objective and then be incorporated into the strategic plan.

We recommend that our clients do a SWOT analysis at the end or beginning of each year. By identifying a company's SWOTs you can develop a stronger strategic marketing plan for the upcoming year and be sure that you are focused on the objectives at hand.

Strengths

A firm's strengths are its resources, people and capabilities that can be used as a basis for developing a competitive advantage. Examples of such strengths include:

- What you do better than anyone else
- strong brand name(s)
- good reputation among vendors
- competitive pricing
- robust cashflow
- strong distribution networks
- excellent customer support

Weaknesses

The absence of certain strengths may be viewed as a weakness. For example, any of the following may be considered weaknesses:

- Processes that need improvement
- losing sales
- a weak brand name
- poor customer service
- high cost structure
- not knowledgeable enough about product/service
- outdated or no website

Opportunities

The external environment may reveal certain new opportunities for growth and additional profit. Some examples of such opportunities:

- Arrival of new technologies
- changes in gov't regulations
- an unfulfilled customer need
- industry trends that you can take advantage of
- a competitor moving or going out of business
- affiliate - partnering possibilities

Threats

Changes in the external environment also may present threats to the firm. Some examples of such threats include:

- Trends that could harm your company
- shifts in customer needs or tastes away from the firm's products/services
- new competition
- emergence of substitute products
- new regulations
- changing technologies

SWOT Matrix:



SWOT Analysis Worksheet

Strengths:

What do you do well?
What unique resources can you draw on?
What do others see as your strengths?

Weaknesses:

What could you improve?
Where do you have fewer resources than others?
What are others likely to see as weaknesses?

Opportunities:

What good opportunities are open to you
What trends could you take advantage of?
How can you turn your strengths into opportunities?

Threats:

What trends could harm you?
What is your competition doing?
What threats do your weaknesses expose you to?

- S-O: Strategies that pursue opportunities that are a good fit to the company's strengths.
- W-O: Strategies that overcome weaknesses to pursue opportunities.
- S-T: Strategies that identify ways that the firm can use its strengths to reduce its vulnerability to external threats.
- W-T: Strategies that establish a defensive plan to prevent the firm's weaknesses from making it highly susceptible to external threats.