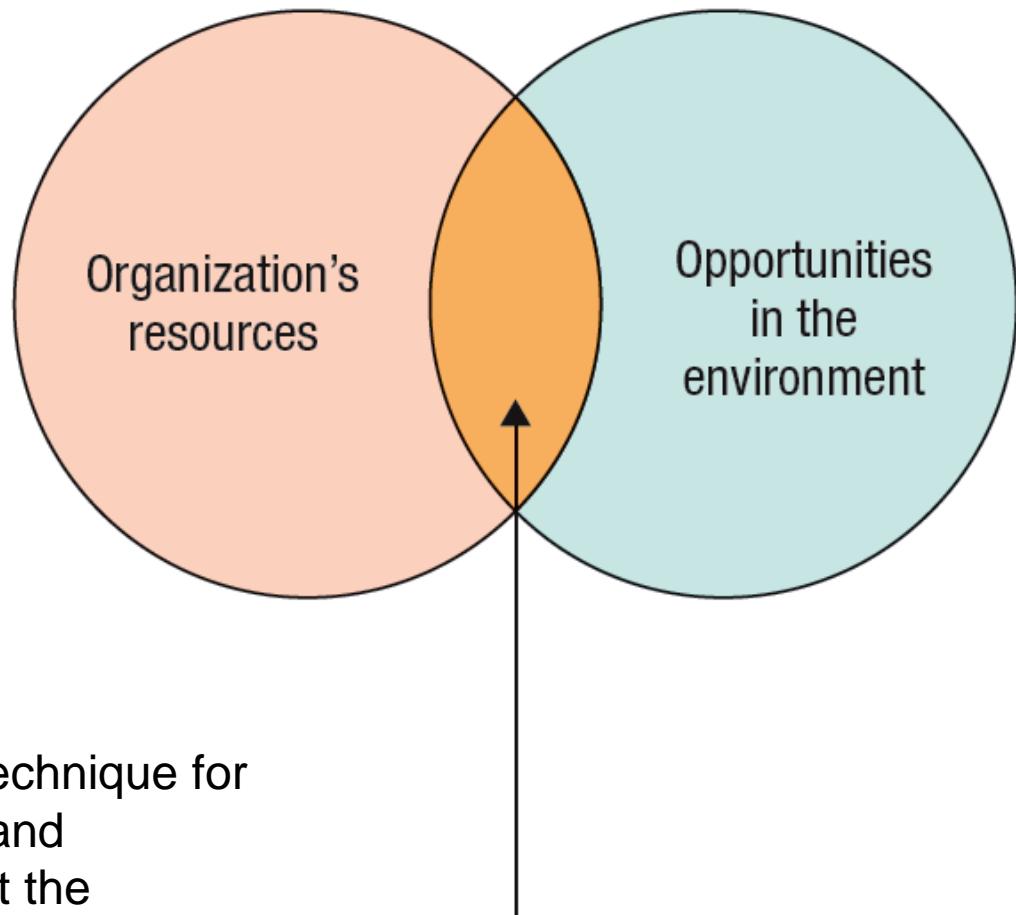


SWOT Analysis



SWOT Analysis

SWOT Analysis is a powerful technique for understanding your Strengths and Weaknesses, and for looking at the Opportunities and Threats you face.

Organization's
opportunities

SWOT ANALYSIS



Overview

	POSITIVE	NEGATIVE
INTERNAL	Strengths	Weaknesses
EXTERNAL	Opportunities	Threats

- The strategy is to look at the organizations current performance (strengths and weaknesses) and factors in the external environment (opportunities and threats) that might affect the organizations' future.

Business SWOT Analysis

- It can help you uncover opportunities that you are well placed to exploit. And by understanding the weaknesses of your business, you can manage and eliminate threats that would otherwise catch you unawares.

Purpose of SWOT Analysis

- Help decision makers share and compare ideas
- Bring a clearer common purpose and understanding of factors for success
- Organize the important factors linked to success and failure in the business world.
- Analyze issues that have led to failure in the past
- Provide linearity to the decision making process allowing complex ideas to be presented systematically.

Internal-External Analyses

Internal Analysis:

- Examine the capabilities of the organization by analyzing the organization's strengths and weaknesses.

External Analysis:

- Look at the main points in the environmental analysis, and identify those points that pose opportunities for the organization, and those that pose threats or obstacles to performance.

Strengths: Operational Definition

- Something that we truly do well,
- Something that we excel at versus the competition,
- Something that we can build on;
- Something that truly differentiates our business,
- A key metric that is improving, etc.



Business SWOT Analysis

- ***Strengths:***
 - What advantages does your company have?
 - What do you do better than anyone else?
 - What unique or lowest-cost resources do you have access to?
 - What do people in your market see as your strengths?
 - What factors mean that you "get the sale"?

Weakness: Operational Definition

- A real gap, a deficiency, a problem, or a key metric that is going south;
- Something we're not doing very well and that we should be doing better;
- Something that's dated that no longer applies—even though it used to;
- Something important that we really don't know or aren't sure about.



Business SWOT Analysis

- **Weaknesses:**

- What could you improve?
- What should you avoid?
- What are people in your market likely to see as weaknesses?
- What factors lose you sales?

Opportunity: Operational Definition

- A favorable external condition
- Something (that we haven't acted on or taken advantage yet) that could impact us positively.
- New things that can be done to potentially improve the business—that turn into recommendations and actions.



Business SWOT Analysis

- ***Opportunities:***
 - Where are the good opportunities facing you?
 - What are the interesting trends you are aware of?
- Useful opportunities can come from such things as:
 - Changes in technology and markets on both a broad and narrow scale.
 - Changes in government policy related to your field.
 - Changes in social patterns, population profiles, lifestyle changes.
 - Local events.

Threats: Operational Definition

- Something external to the business that can *potentially* impact us negatively:
 - competitors
 - changing conditions in the marketplace,
 - the overall economy,
 - government regulations, etc.
- Part of the playing field that can't be ignored.
- Some internal threats, e.g. hanging onto the status quo when change is required



Business SWOT Analysis

- ***Threats:***
 - What obstacles do you face?
 - What is your competition doing that you should be worried about?
 - Are the required specifications for your job, products or services changing?
 - Is changing technology threatening your position?
 - Do you have bad debt or cash-flow problems?
 - Could any of your weaknesses seriously threaten your business?

SWOT Template

SWOT Analysis			
Internal			
Strengths		Weaknesses	
External			
Opportunities		Threats	

SWOT to Strategies

- Turn **NEGATIVES** into **POSITIVES**
- Opportunities → Strengths [S-O Strategies]
- Weaknesses → Opportunities [S-O Strategies]
- Threats → Strengths [S-T Strategies]
- Threats → Weaknesses [W-T Strategies]

Objectives, Strategies, Policies

- **Objectives** → Specific Results that an organization seeks to achieve in pursuing the basic mission, usually employing SMART.
- **Strategies** → Action Plans to undertake in response to or in anticipation of the environment to accomplish the objectives.
- **Policies** → Implementing Guidelines to achieve the objectives and strategies.

Objectives, Strategies, Policies

Example:

- **Objective** → Garner 90% market share of Domestic Steel Market by 2009.
- **Strategy** → Develop new products to cater to local steel fabricators
- **Policy** → Hire marketing staff with local experience; or 10% discount on cash purchases for local steel fabricators.