**Assignment 1**

**Consulting and Professional Communications**

**AIDI 2003-02**

**By**

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**Swot analysis for Douglas Consulting Firm:**

**Strengths**

As the economy has become highly specialized, the demand for unique expertise in a specific market has increased substantially. As such, provided that an individual consultant has a specific skill that can be marketed - a consulting firm can always remain profitable and cash flow positive. If someone in a field has extensive contacts and can immediately generate a client base, then the start-up costs will be much lower. Pervious projects done by the firm will come into a big strength.

**Weaknesses**

Given the very low barriers to entry, anyone can establish a consulting firm very quickly. As such, a consulting firm needs to proper position itself within any given market in order to ensure that they can receive engagements from clients. Another weakness for a consulting firm is that banks and financing companies are generally reluctant to provide ongoing capital to the businesses. As such, a consultant must always have a substantial amount of cash on hand especially at the onset of operations.

**Opportunities**

Unlike most other businesses, consulting firms can rapidly expand its operations by hiring individuals that have extensive experience or educational credentials in any specific discipline. Although it is somewhat uncommon, some consulting firm entrepreneurs will acquire the client base of an existing and profitable firm. For established companies, many financial institutions will provide the capital necessary to make these acquisitions. However, an extensive operating history is usually a necessity.

**Threats**

The economy is constantly changing, and this requires that the managing directors of consulting firms hire the proper staff in order to deal with these issues. Currently, there are no legislative issues that would impact how these businesses operate. The other prominent issue faced by these businesses are the ongoing competitive issues. This is the biggest threat faced by consulting firms.

**Thank You!!**