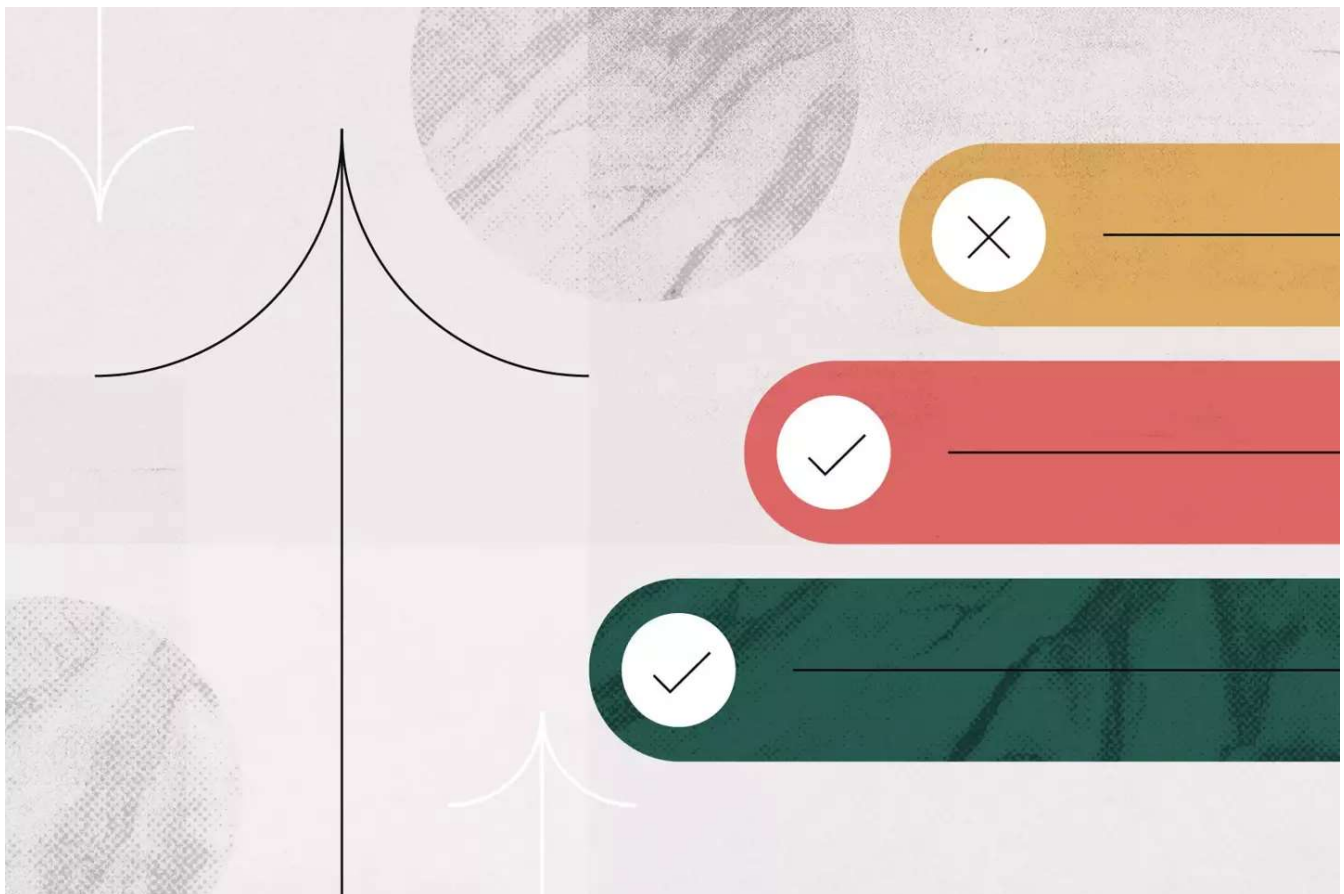


SWOT analysis: What it is and how to use it (with examples)



Alicia Raeburn • November 28th, 2022 • 7 min read



Summary



A SWOT analysis helps you identify strengths, weaknesses, opportunities, and threats for a specific project or your overall business plan. It's used for strategic planning and to stay ahead of market trends. Below, we describe each part of the SWOT framework and show you how to conduct your own.

Looking for a way to separate your organization from the competition? A SWOT analysis is a technique used to identify strengths, weaknesses, opportunities, and threats in order to develop a strategic plan or roadmap for your business. While it may sound difficult, it's actually quite simple.

Whether you're looking for external opportunities or internal strengths, we'll walk you through how to perform your own SWOT analysis with helpful examples along the way.

What is a SWOT analysis?

A SWOT analysis is a technique used to identify strengths, weaknesses, opportunities, and threats for your business or even a specific project. It's most widely used by organizations—from small businesses and non-profits to large enterprises—but a SWOT analysis can be used for personal purposes as well.

While simple, a SWOT analysis is a powerful tool for helping you identify competitive opportunities for improvement. It helps you improve your team and business while staying ahead of market trends.

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What does SWOT stand for?

SWOT is an acronym that stands for:

- Strengths

- Weaknesses
- Opportunities
- Threats



When analyzed together, the SWOT framework can paint a larger picture of where you are and how to get to the next step. Let's dive a little deeper into each of these terms and how they can help identify areas of improvement.

Strengths

Strengths in SWOT refer to internal initiatives that are performing well. Examining these areas helps you understand what's already working. You can then use the techniques that you know work—your strengths—in other areas that might need additional support, like improving your team's efficiency.

When looking into the strengths of your organization, ask yourself the following questions:

- What do we do well? Or, even better: What do we do best?
- What's unique about our organization?
- What does our target audience like about our organization?
- Which categories or features beat out our competitors?

Example SWOT strength:

Customer service: Our world-class customer service has an NPS score of 90 as compared to our competitors, who average an NPS score of 70.

Weaknesses

Weaknesses in SWOT refer to internal initiatives that are underperforming. It's a good idea to analyze your strengths before your weaknesses in order to create the baseline of success and failure. Identifying internal weaknesses provides a starting point for improving those projects.

Identify the company's weaknesses by asking:

- Which initiatives are underperforming and why?
- What can be improved?
- What resources could improve our performance?
- How do we rank against our competitors?

Example SWOT weakness:

E-commerce visibility: Our website visibility is low because of a lack of marketing budget, leading to a decrease in mobile app transactions.

Opportunities

Opportunities in SWOT result from your existing strengths and weaknesses, along with any external initiatives that will put you in a stronger competitive position. These could be anything from weaknesses that you'd like to improve or areas that weren't identified in the first two phases of your analysis.

Since there are multiple ways to come up with opportunities, it's helpful to consider these questions before getting started:

- What resources can we use to improve weaknesses?
- Are there market gaps in our services?
- What are our business goals for the year?

- What do your competitors offer?

Example SWOT opportunities:

Marketing campaign: To improve brand visibility, we'll run ad campaigns on YouTube, Facebook, and Instagram.

Threats

Threats in SWOT are areas with the potential to cause problems. Different from weaknesses, threats are external and out of your control. This can include anything from a global pandemic to a change in the competitive landscape.

Here are a few questions to ask yourself to identify external threats:

- What changes in the industry are cause for concern?
- What new market trends are on the horizon?
- Where are our competitors outperforming us?

Example SWOT threats:

New competitor: With a new e-commerce competitor set to launch within the next month, we could see a decline in customers.

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When should you use a SWOT analysis?

You won't always need an in-depth SWOT analysis. It's most useful for large, general overviews of situations, scenarios, or your business.

A SWOT analysis is most helpful:

- Before you implement a large change—including as part of a larger change

- when you launch a new company initiative
- If you'd like to identify opportunities for growth and improvement
- Any time you want a full overview of your business performance
- If you need to identify business performance from different perspectives

SWOT analyses are general for a reason—so they can be applied to almost any scenario, project, or business.

SWOT analysis example

One of the most popular ways to create a SWOT analysis is through a SWOT matrix—a visual representation of strengths, weaknesses, opportunities, and threats. The matrix comprises four separate squares that create one larger square.

A SWOT matrix is great for collecting information and documenting the questions and decision-making process. Not only will it be handy to reference later on, but it's also great for visualizing any patterns that arise.

Check out the SWOT matrix below for a simple example. As you can see, each of the quadrants lists out the company's strengths, weaknesses, opportunities, and threats.

SWOT analysis example	
Strengths <ul style="list-style-type: none"> • What do we do well? • What's unique about our organization? 	Weaknesses <ul style="list-style-type: none"> • What could be improved? • What resources could improve our performance?
Customer service: Our customer service is world-class compared to our competitors seeing as we	E-commerce visibility: Our website visibility is low due to our lack of marketing budget with transactions



When used correctly and effectively, your matrix can be a great toolkit for evaluating your organization's strengths and weaknesses.

How do you write a good SWOT analysis?

A SWOT analysis can be conducted in a variety of ways. Some teams like to meet and throw ideas on a whiteboard while others prefer the structure of a SWOT matrix. However you choose to make your SWOT analysis, getting creative with your planning process allows new ideas to flow and results in more unique solutions.

There are a few ways to ensure that your SWOT analysis is thorough and done correctly. Let's take a closer look at some tips to help you get started.

Tip 1: Consider internal factors

Often, strengths and weaknesses stem from internal processes. These tend to be easier to solve since you have more control over the outcome. When you come across internal factors, you can start implementing improvements in a couple of different ways.

- Meet with department stakeholders to form a business plan around how to improve your current situation.
- Research and implement new tools, such as a project management tool, that can help streamline these processes for you.
- Take immediate action on anything that can be changed in 24 hours or less. If you don't have the capacity, consider delegating these items to others with deadlines.

The way you go about solving internal factors will depend on the type of problem. If it's more complex, you might need to use a combination of the above or a more thorough problem management process.

Tip 2: Evaluate external factors

External factors stem from processes outside of your control. This includes competitors, market trends, and anything else that's affecting your organization from the outside in.

External factors are trickier to solve, as you can't directly control the outcome. What you *can* do is pivot your own processes in a way that mitigates negative external factors.

You can work to solve these issues by:

- Competing with market trends

- Forecasting market trends before they happen
- Improving adaptability to improve your reaction time
- Track competitors using reporting tools that automatically update you as soon as changes occur

While you won't be able to control an external environment, you can control how your organization reacts to it.

Let's say, for instance, that you're looking to compete with a market trend. For example, a competitor introduced a new product to the market that's outperforming your own. While you can't take that product away, you can work to launch an even better product or marketing campaign to mitigate any decline in sales.

Tip 3: Hold a brainstorming session

Brainstorming new and innovative ideas can help to spur creativity and inspire action. To host a high impact brainstorming session, you'll want to:

- Invite team members from various departments. That way, ideas from each part of the company are represented.
- Be intentional about the number of team members you invite, since too many participants could lead to a lack of focus or participation. The sweet spot for a productive brainstorming session is around 10 teammates.
- Use different brainstorming techniques that appeal to different work types.
- Set a clear intention for the session.

Tip 4: Get creative

In order to generate creative ideas, you have to first invite them. That means creating fun ways to come up with opportunities. Try randomly selecting anonymous ideas, talking through obviously bad examples, or playing team building games to psych up the team.

Tip 5: Prioritize opportunities

Now, rank the opportunities. This can be done as a team or with a smaller group of leaders. Talk through each idea and rank it on a scale of one through 10. Once you've agreed on your top ideas based on team capabilities, competencies, and overall impact, it's easier to implement them.

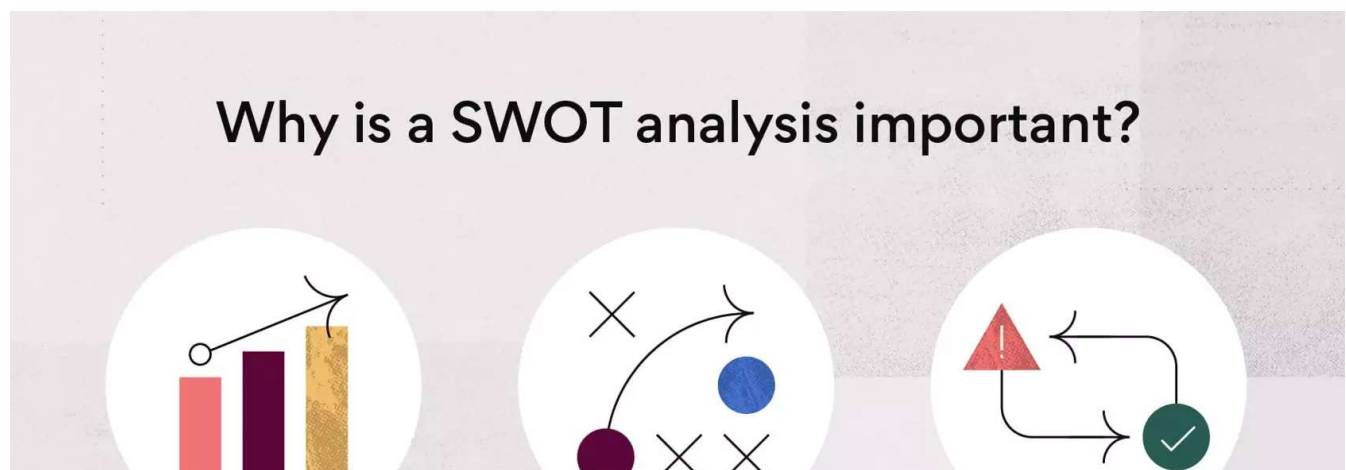
Tip 6: Take action

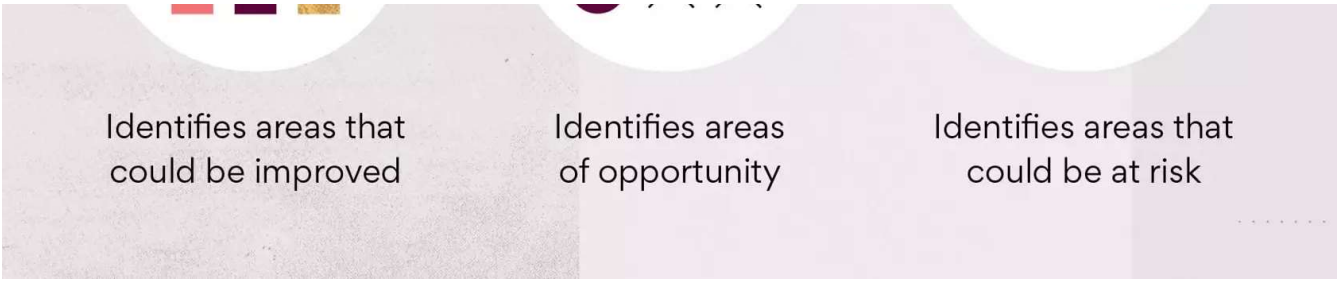
It's all too easy to feel finished at this stage —but the actual work is just beginning. After your SWOT analysis, you'll have a list of prioritized opportunities. Now it is the time to turn them into strengths. Use a structured system such as a business case, project plan, or implementation plan to outline what needs to get done—and how you plan to do it.

Read: [11 project templates to start your work on the right track](#) →

Why is a SWOT analysis important?

A SWOT analysis can help you improve processes and plan for growth. While similar to a competitive analysis, it differs because it evaluates both internal and external factors. Analyzing key areas around these opportunities and threats will equip you with the insights needed to set your team up for success.





Identifies areas that could be improved

Identifies areas of opportunity

Identifies areas that could be at risk

A SWOT analysis isn't only useful for organizations. With a personal SWOT analysis, you can examine areas of your life that could benefit from improvement, from your leadership style to your communication skills. These are the benefits of using a SWOT analysis in any scenario.

1. Identifies areas of opportunity

One of the biggest benefits of conducting an analysis is to determine opportunities for growth. It's a great starting point for startups and teams that know they want to improve but aren't exactly sure how to get started.

Opportunities can come from many different avenues, like external factors such as diversifying your products for competitive advantage or internal factors like improving your team's workflow. Either way, capitalizing on opportunities is an excellent way to grow as a team.

2. Identifies areas that could be improved

Identifying weaknesses and threats during a SWOT analysis can pave the way for a better business strategy.

Ultimately, learning from your mistakes is the best way to excel. Once you find areas to streamline, you can work with team members to brainstorm an action plan. This will let you use what you already know works and build on your company's strengths.

3. Identifies areas that could be at risk

Whether you have a risk register in place or not, it's always crucial to identify risks before they become a cause for concern. A SWOT analysis can help you stay on top of actionable items that may play a part in your risk decision-making process.

It may be beneficial to pair your SWOT analysis with a PEST analysis which examines external solutions such as political, economic, social, and technological factors—all of which can help you identify and plan for project risks.

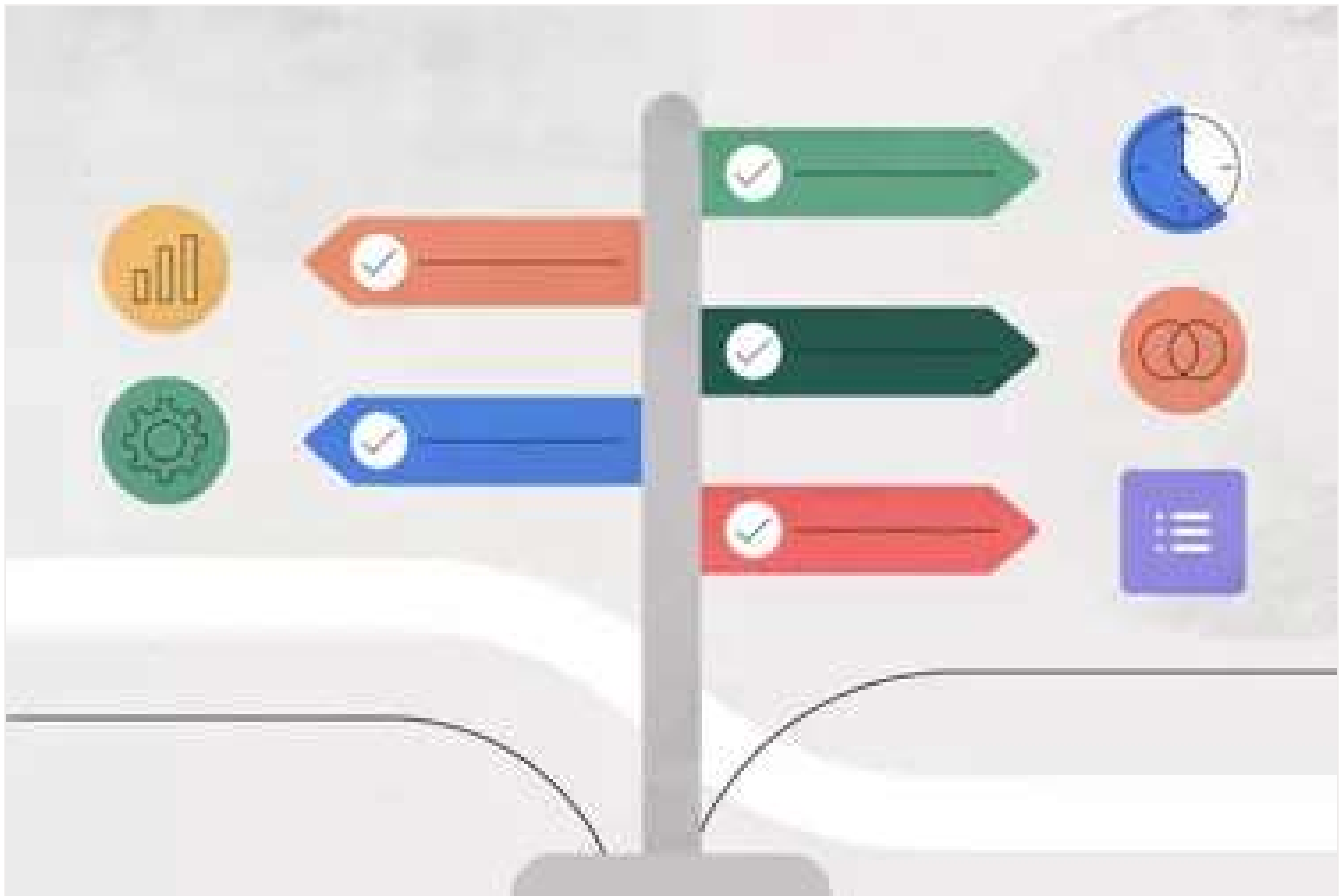
Plan for growth with a SWOT analysis

A SWOT analysis can be an effective technique for identifying key strengths, weaknesses, opportunities, and threats. Understanding where you are now can be the most impactful way to determine where you want to go next.

Don't forget, a bit of creativity and collaboration can go a long way. Encourage your team to think outside of the box with 100+ team motivational quotes.

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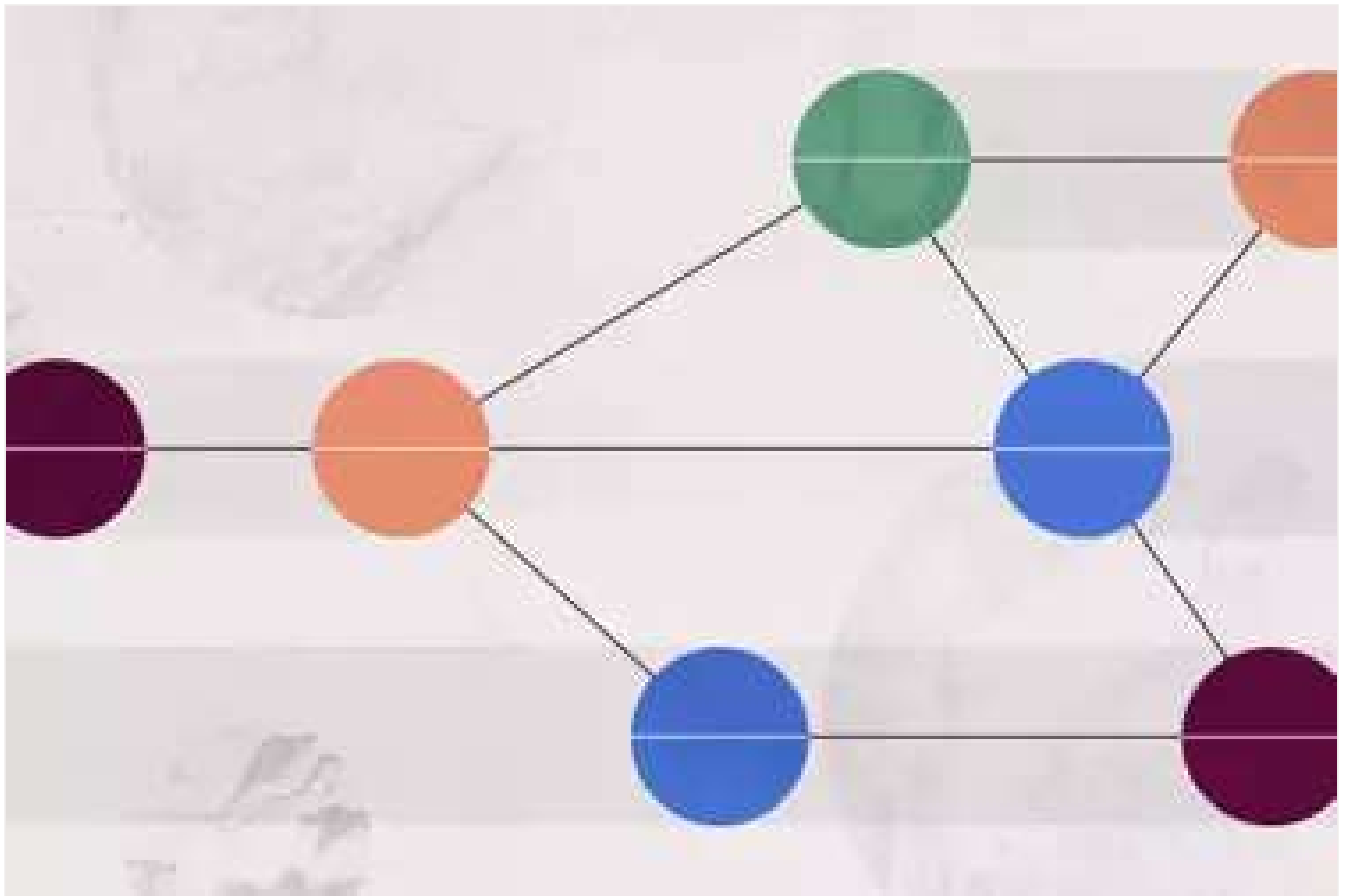
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