

Q3

→

SWOT stands for Strength, Weakness, Opportunities and threats and SWOT Analysis is a technique for ~~identifying~~ for these four aspects of your business. It plays a vital role in the preliminary decision making process and uses strategic techniques. Strength and Weakness are internal to your company. Things that you have some control over and can change. Ex manpower, manufacturing abilities.

Opportunities and threats are external things outside your company in the large market. You can take advantage of opportunities and protect against threats but you can't change them. Ex technological changes etc.

Example: Starbucks SWOT analysis

Strengths

- 1) Internationally known strong, valuable brand
- 2) Efficiency and effectiveness in supply chain
- 3) High Quality product & service

Opportunities

- 1) Product innovation and new growth platforms
- 2) Expand international operating segment
- 3) Future growth is increasingly dependent on int'l segment

Weakness

- 1) Health effects of consuming its products
- 2) Dependent of relationship with suppliers
- 3) Price of coffee is subject to significant volatility

Threats

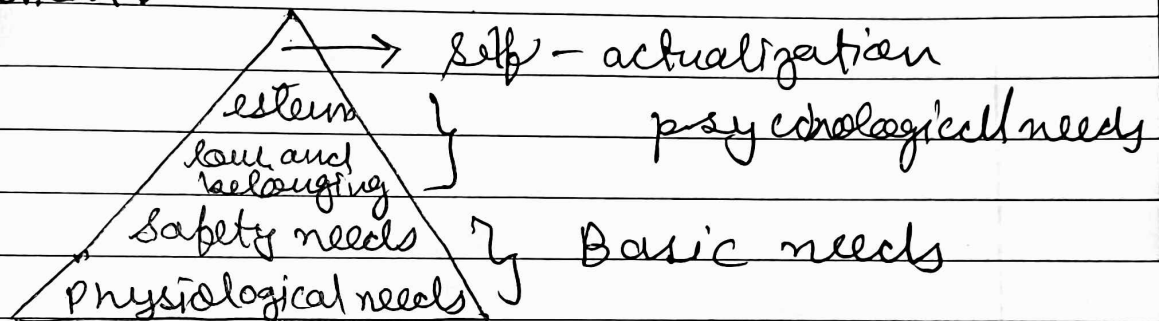
- 1) Large number of competitors in specialty coffee business
- 2) New studies on impact of sugar
- 3) Natural disaster largely affect supply

Limitations of SWOT Analysis -

- 1) Lack of prioritization
- 2) ~~Too~~ many opinions are involved and addressed
- 3) Lack mathematical foundation

91

→ A. H. Maslow had developed classification of Human Needs known as "Hierarchy of needs" according to his theory, ~~human~~ classification of human needs can be ~~also~~ classified in 5 class. that are arranged in pyramid form. From bottom up the tiers are physiological needs (food, clothing), Safety Needs (home and belonging (family), esteem and self actualization.



5 needs are: -

- 1) Physiological needs: These are essential for living beings like food, shelter, etc.
- 2) Security needs: These needs safeguard one from danger like shelter and job security.
- 3) Belongingness: Man is a social animal he needs meaningful relationships to live fulfilling life.
- 4) Esteem: These include self-esteem and confidence.
- 5) Self actualization: it refers to need to grow and self fulfillment.