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SWOT Analysis - An overview

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SWOT Attributes

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Factor groups:

- **Internal:** Directly controllable
- **External:** Not directly controllable, but can be managed to some extent

Summary:

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Properties

- Strategic **planning technique**
- Provides **assessment tools**
- Purpose:
 - **Evaluate position** of individual or organization
 - Provide **insights** into internal and external factors
 - Inform **decision-making**
 - Identify **areas for improvement**

Strengths

- The company's advantages over competitors.
- **Starbucks' case study:**
 - **Global Brand Recognition:** Renowned worldwide, providing a competitive edge.
 - **Unique Coffee Experience:** Distinctive ambiance, free Wi-Fi, and premium services.
 - **Global Presence:** Extensive network of outlets across continents.
 - **Robust Supply Chain:** Strategic supplier selection ensures high-quality coffee.

Weaknesses

- Areas where the company lags behind
- **Starbucks' case study:**
 - **Uniform Product Offering:** Lacks customization to local tastes.
 - **Premium Pricing:** May deter customers in less affluent markets.
 - **High Employee Turnover:** Potentially impacts service quality.

Opportunities

- External growth or improvement areas.
- **Starbucks' case study:**
 - **Market Expansion:** Potential growth in new and emerging markets.
 - **Entertainment Partnerships:** Enhance brand visibility and engage customers.

Threats

- Addresses risks to the company's operation
- **Starbucks' case study:**
 - **U.S. Market Saturation:** High density of stores limits growth potential.
 - **Health Trends:** Growing preference for healthier options could reduce demand.

Limitations of SWOT

- **Subjective** nature: Based on personal opinions
- **Over-simplification**: Grossly generalizes complex issues
- **Lack of prioritization**: Does not rank factors by importance
- **No clear action plan**: Needs to integrate to strategic planning

Can be complimented by other [analytical tools](#), like:

- SCRS (Strengths, Challenges, Resources, Solutions)
- MOST (Mission, Objectives, Strategies, Tactics)
- PEST (Political, Economic, Social, Technological)