**Sample Solution: SWOT Analysis for a Local Coffee Shop**

**Business Description:**

Our group has chosen a local coffee shop in a busy downtown area that has a loyal customer base but is facing increased competition from chain coffee shops. The coffee shop wants to expand its menu and improve its online presence to attract new customers.

**SWOT Analysis:**

**Strengths:**

1. Strong customer loyalty from local regulars who appreciate the shop’s personal touch and community vibe.

2. Prime location in the heart of the business district, attracting office workers during weekdays.

3. Unique product offerings, such as specialty blends and locally sourced baked goods.

**Weaknesses:**

1. Limited marketing budget, resulting in low brand awareness outside of the local community.

2. Outdated website with no online ordering system, making it harder for tech-savvy customers to engage with the business.

3. Inconsistent operating hours on weekends, which frustrates potential customers.

**Opportunities:**

1. Expanding to online orders and delivery to tap into the growing trend of food delivery services.

2. Hosting events or coffee workshops to attract new customers and boost community engagement.

3. Collaborating with local artisans to sell more locally made products, capitalizing on the trend toward supporting small businesses.

**Threats:**

1. New chain coffee shops opening nearby, which could draw away customers with lower prices and aggressive marketing.

2. Rising rent prices in the downtown area could squeeze profits.

3. Economic downturn that reduces discretionary spending, leading to fewer customers visiting the shop.

**Group Insights:**

- The business should focus on expanding its online presence by upgrading its website and offering online ordering. This can help offset the threat of new competitors.

- The shop could leverage its strength of community loyalty by hosting more events and workshops, further differentiating it from chain competitors.

- Addressing weaknesses such as inconsistent operating hours will help retain customers who may be frustrated by unpredictability.

**Takeaways:**

This activity helps students practice strategic thinking by identifying internal and external factors that impact a business. It encourages them to think about how to leverage strengths and opportunities while addressing weaknesses and threats, offering practical applications of the SWOT Analysis framework.