

A horizontal bar divided into four colored segments: blue, orange, green, and purple. Each segment contains a large white letter and a corresponding label below it. The letters are S, W, O, and T respectively. The labels are STRENGTHS, WEAKNESSES, OPPORTUNITIES, and THREATS.

S

STRENGTHS

W

WEAKNESSES

O

OPPORTUNITIES

T

THREATS

Once you've figured out your strengths, it's time to turn that critical self-awareness on your weaknesses.

- Things your company lacks
- Things your competitors do better than you
- Resource limitations
- Unclear unique selling proposition

S STRENGTHS	W WEAKNESSES	O OPPORTUNITIES	T THREATS
<ul style="list-style-type: none">• Things your company does well• Qualities that separate you from your competitors• Internal resources such as skilled, knowledgeable staff• Tangible assets such as intellectual property, capital, proprietary technologies etc.	<ul style="list-style-type: none">• Things your company lacks• Things your competitors do better than you• Resource limitations• Unclear unique selling proposition	<ul style="list-style-type: none">• Underserved markets for specific products• Few competitors in your area• Emerging need for your products or services• Press/media coverage of your company	<ul style="list-style-type: none">• Emerging competitors• Changing regulatory environment• Negative press/media coverage• Changing customer attitudes toward your company

 WordStream

What's holding your business or project back? This element can include organizational challenges like a shortage of skilled people and [financial or budgetary limitations](#).

This element of a SWOT analysis may also include weaknesses in relation to other companies in your industry, such as the lack of a clearly defined USP in a crowded market.

Opportunities

Next up is Opportunities.

- Underserved markets for specific products
- Few competitors in your area
- Emerging needs for your products or services
- Press/media coverage of your company

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WordStream

Can't keep up with [the volume of leads being generated](#) by your marketing team? That's an opportunity. Is your company developing an innovative new idea that will open up new markets or demographics? That's another opportunity.

In short, this element of a SWOT analysis covers everything you could do to [improve sales](#), [grow as a company](#), or advance your organization's mission.

Threats

The final element of a SWOT analysis is Threats – everything that poses a risk to either your company itself or its likelihood of success or growth.

- Emerging competitors
- Changing regulatory environment
- Negative press/media coverage
- Changing customer attitudes toward your company

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This could include things like emerging competitors, changes in regulatory law, financial risks, and virtually everything else that could potentially jeopardize the future of your company or project.

SWOT analysis internal and external factors

The four elements above are common to all SWOT analyses. However, many companies further compartmentalize these elements into two distinct subgroups: Internal and External.

Internal factors

Typically, Strengths and Weaknesses are considered internal factors, in that they are the result of organizational decisions under the control of your company or team. A [high churn rate](#), for example, would be categorized as a

weakness, but improving a high churn rate is still within your control, making it an internal factor.

External factors

Similarly, emerging competitors would be categorized as a threat in a SWOT analysis, but since there's very little you can do about this, this makes it an external factor. This is why you may have seen SWOT analyses referred to as Internal-External Analyses or IE matrices.

Image via [Bplans](#)

Subcategorizing your four primary elements into Internal and External factors isn't necessarily critical to the success of your SWOT analysis, but it can be helpful in determining your next move or evaluating the degree of control you have over a given problem or opportunity.

Now that we know what each of the elements of a SWOT analysis means, let's take a look at how to go about creating and conducting a SWOT analysis.

How to do a SWOT analysis

You can get the full experience in our video below, and this entire post is dedicated to answering that question, but for simplicity's sake, here's how to do a SWOT analysis:

1. Gather your team together—ideally bring candy.
2. Set up your quadrants—on a whiteboard or projector (perhaps using our template).
3. Start with strengths—ask the below list of questions.
4. Follow suit with weaknesses, opportunities, and threats.
5. Organize the information collected into a neat and tidy document.
6. Send out to the team with notes.
7. Organize a second meeting to come up with action items and owners.

Video timestamps:

0:11: What is a SWOT analysis?

0:42: How to do a SWOT analysis: meeting setup tips

1:30: The four quadrants of a SWOT analysis

2:53: SWOT analysis strengths

3:50: SWOT analysis weaknesses

4:19: SWOT analysis opportunities

5:25: SWOT analysis threats

5:55: What to do with the results

SWOT analysis questions

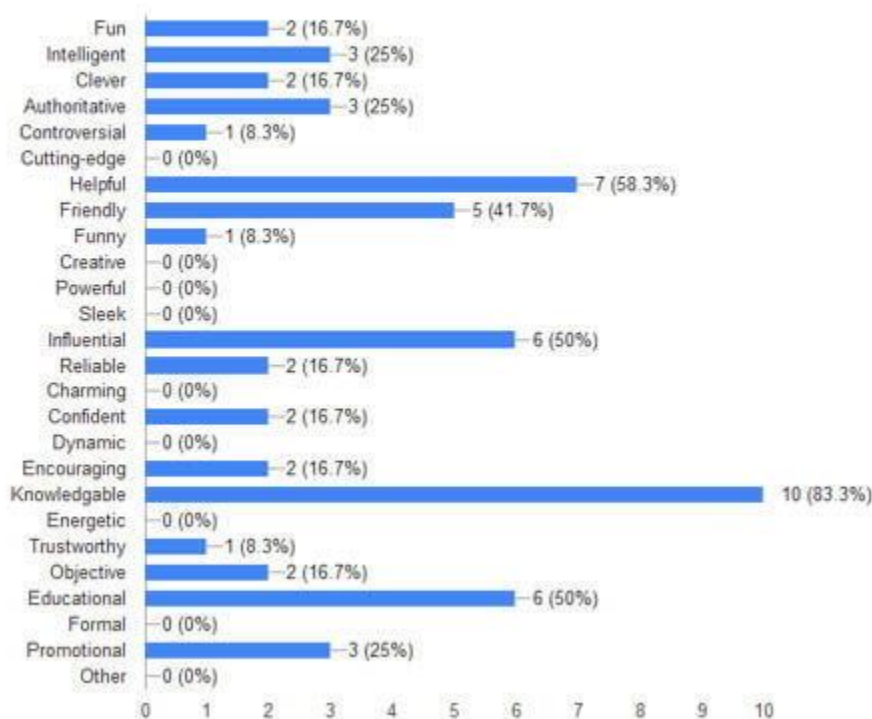
Like [feature-benefit matrices](#), there are several ways to conduct a SWOT analysis. However, regardless of how you choose to structure your analysis, we need to start by asking a series of questions. Here is a breakdown of the questions you should seek to answer when performing your SWOT analysis.

Strengths questions

Let's take our first element, Strengths, for example. To determine what your strengths are as an organization, you could begin by asking some of the following questions:

1. What do your customers love about your company or product(s)?
 2. What does your company do better than other companies in your industry?
 3. What are your most positive brand attributes?
 4. What's your unique selling proposition?
 5. What resources do you have at your disposal that your competitors do not?
- By answering these questions, you'll be in great shape to start identifying and listing your organization's strengths.

CURRENTLY, what attributes does our audience most associate with our brand? (Choose up to five)



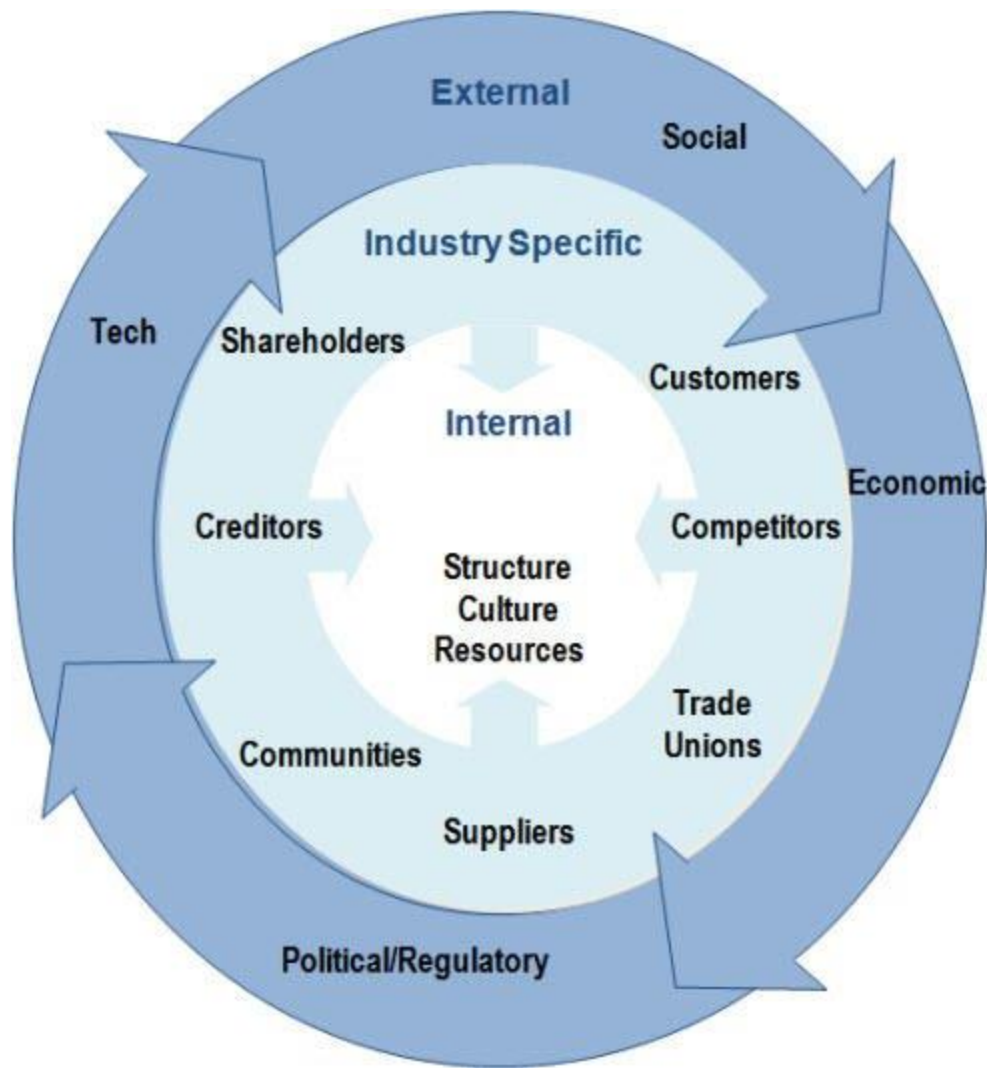
Positive brand attributes associated with WordStream, as identified by our customers

Weakness questions

We can use the same principle to determine your company's weaknesses:

- What do your customers dislike about your company or product(s)?
- What problems or complaints are often mentioned in your negative reviews?
- Why do your customers cancel or churn?
- What could your company do better?
- What are your most negative brand attributes?
- What are the biggest obstacles/challenges in your current sales funnel?
- What resources do your competitors have that you do not?

You may find that determining the strengths and weaknesses of your organization or project is considerably easier or takes less time than figuring out the opportunities and threats facing your company. This is because, as we said earlier, these are internal factors. External factors, on the other hand, may require more effort and rely upon more data, as these are often beyond your immediate sphere of influence.



Opportunities questions

Identifying opportunities and threats may require you to conduct in-depth [competitive intelligence research](#) about what your competitors are up to, or the examination of wider economic or business trends that could have an impact on your company. That's not to say that opportunities and threats cannot be internal, however; you may discover opportunities and threats based solely on the strengths and weaknesses of your company. Some possible questions you could ask to identify potential opportunities might include:

- How can we improve our sales/customer onboarding/customer support processes?

- What kind of messaging resonates with our customers?
- How can we further engage our most vocal brand advocates?
- Are we allocating departmental resources effectively?
- Is there budget, tools, or other resources that we're not leveraging to full capacity?
- Which advertising channels exceeded our expectations – and why?

Threat questions

When it comes to threats, you could certainly begin by asking a series of questions like those above. However, it's often quite easy to come up with a list of potential threats facing your business or project without posing questions beforehand. This could include “branded” threats such as emerging or established competitors, broader threats such as changing regulatory environments and market volatility, or even internal threats such as high staff turnover that could threaten or derail current growth.

What is PEST analysis?

While we're on the topic of internal versus external factors, I wanted to mention a tangential but entirely separate type of analysis closely relevant to SWOT analyses, known as a PEST analysis.

Earlier, I mentioned that external factors such as changing regulatory policies and market volatility could be considered threats in a standard SWOT analysis. However, despite their importance, challenges like this are often highly nuanced and driven by dozens or hundreds of individual factors. This can place them beyond the scope or intent of a typical SWOT analysis. This is why many companies also conduct PEST analyses.

Political	Economic	Social	Technological
<ul style="list-style-type: none"> • Stability • Laws • IPR Copyright • Policies /Human right • Labors law • Trade Laws • Foreign Invest • Proper Security 	<ul style="list-style-type: none"> • Grows • GDP per Capita • Purchasing power parity • Interest Rate • Inflation Rate • Exchange Rate • Stability • Unemployment rate • Consumer Confidence • Actives Labor Forces • Trade Balance • Balance of Payment 	<ul style="list-style-type: none"> • Demography • Sociology • Social culture / Lifestyle • Education • Human Development index • Social Safety and Benefits 	<ul style="list-style-type: none"> • Technological development • Innovation • R&D • Skilled Resources • Easier Acceptance of New Technologies • Information and Communication • Number of Technology Institutes

This type of analysis is not what an exterminator does upon arriving at a roach-infested tenement. Rather, a PEST analysis functions very similarly to a SWOT analysis, only they're concerned with four external factors:

1. Political
2. Economic
3. Sociocultural
4. Technological

Pros of PEST analysis

One of the main reasons it's worth looking at PEST analyses is because many of the factors that could end up in a PEST matrix could also be relevant to the Opportunities and Threats in our SWOT analysis. The kind of political and economic turmoil we've seen in the United States during the past year, for example, could very well pose legitimate and serious threats to many businesses (as well as some opportunities), but

these kinds of obstacles tend to be much more complicated than the opportunities and threats you'd see in most SWOT analyses, given their broader scale and often-complex underlying factors.

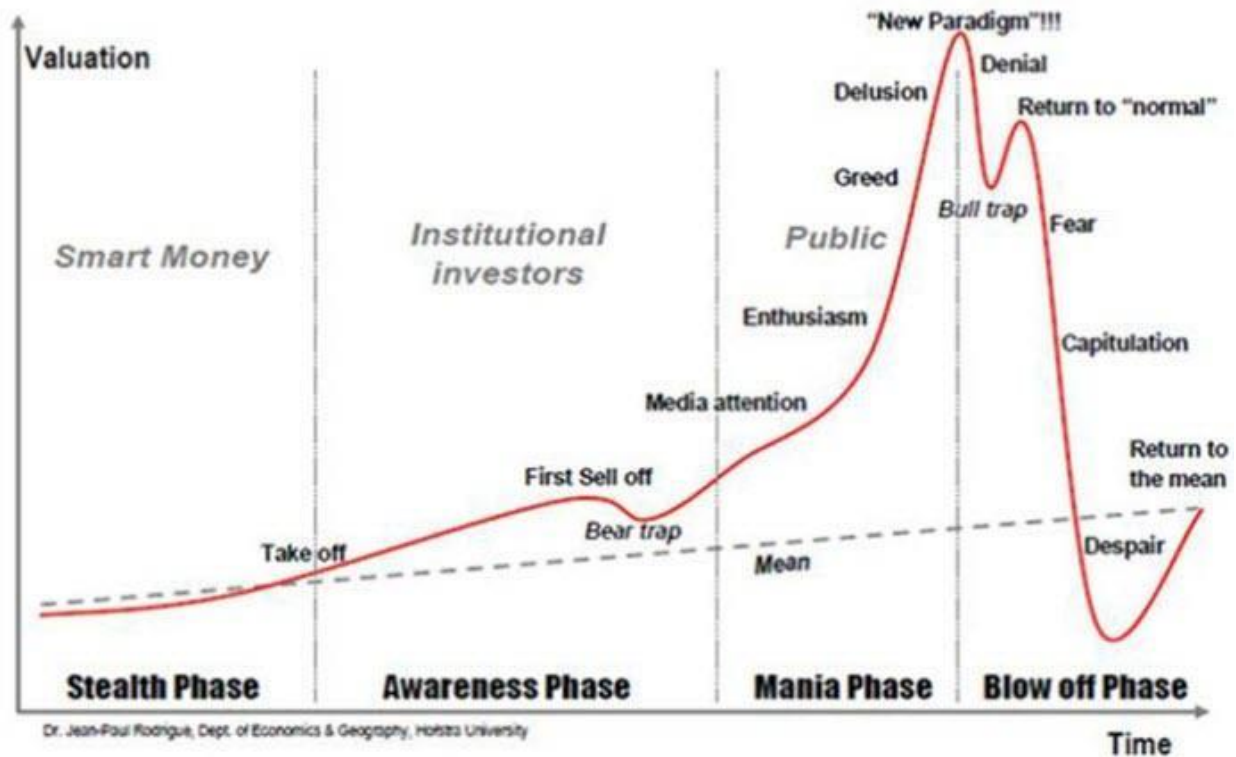


Image via [Dr. Jean-Paul Rodrigue/Hofstra University](#)

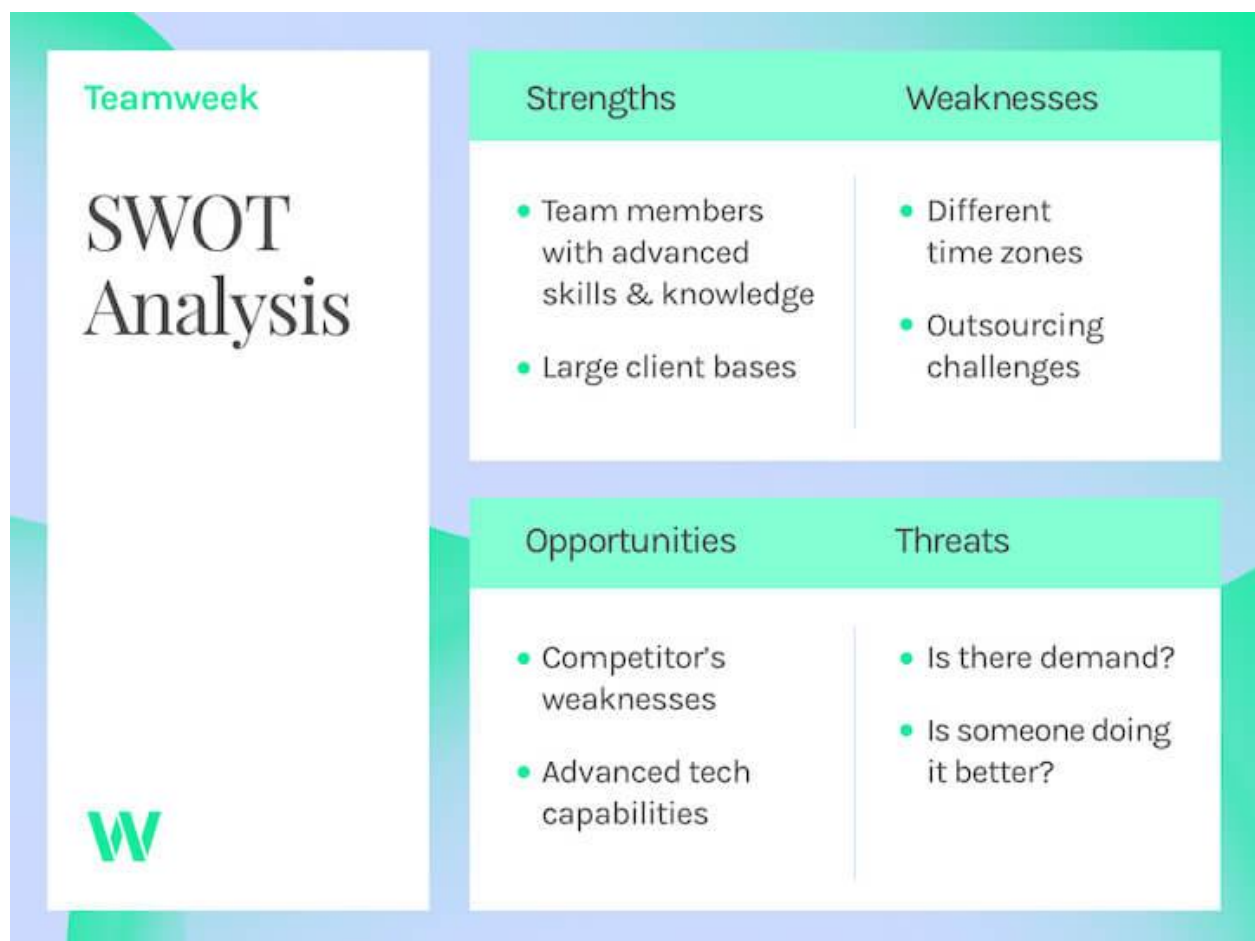
Cons of PEST analysis

Obstacles identified in a typical PEST analysis also tend to be on much longer timeframes – it's a lot easier and quicker to try and overcome internal challenges like high staff turnover than it is to wait and see if the economy picks up (or if the bubble will burst again). That's why many larger companies conduct both SWOT and PEST analyses simultaneously – the SWOT analysis provides them with more immediate, potentially actionable roadmaps, whereas PEST analyses can be highly valuable when it comes to formulating longer-term plans and business strategies.

Benefits of SWOT analysis for small businesses

If you're a marketer or small-business owner, you might be wondering if SWOT analyses are practical or even feasible for smaller companies and organizations. Although there is definitely a resource overhead involved in the creation of a SWOT analysis, there are many benefits in doing so, even for the smallest of companies.

- **Get a bird's eye view:** For one, conducting a comprehensive SWOT analysis provides a unique opportunity to gain greater insight into how your business operates. It's all too easy to get lost in the weeds of the day-to-day workings of your company, and conducting a SWOT analysis allows you to take a broader, bird's eye view of your business and the position it occupies in your industry.
- **Improve specific campaigns and projects.** Another benefit of SWOT analyses is that this technique can be applied to a wide range of scenarios, not just as an overview of your business. You could use SWOT analyses to evaluate the potential strengths and weaknesses of a forthcoming advertising campaign, a planned content project, or even whether your company should be represented at a trade show or industry event. Here's an example of a project SWOT analysis:



- **Develop tangible roadmaps.** Obviously, it almost goes without saying that conducting a SWOT analysis allows you to identify what your company does well, where it could improve, and the opportunities and threats facing your business. However, conducting a SWOT analysis provides you with the opportunity to not only identify these factors, but also develop and implement tangible roadmaps and timelines for potential solutions. This can be beneficial in the creation of budgetary plans, identifying hiring needs and other mid- to long-term strategic planning.