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# Applied Economics

SENIOR  
HIGH  
SCHOOL

## SWOT Analysis

Self-Learning  
Module

2

Quarter 4



ACCOUNTANCY, BUSINESS AND MANAGEMENT



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## Introductory Message

For the facilitator:

Welcome to the Senior High School – Applied Economics Self Learning Module on SWOT Analysis!

This Self-Learning Module was collaboratively designed, developed and reviewed by educators from the Schools Division Office of Pasig City headed by its Officer-in-Charge Schools Division Superintendent, Ma. Evalou Concepcion A. Agustin, in partnership with the City Government of Pasig through its mayor, Honorable Victor Ma. Regis N. Sotto. The writers utilized the standards set by the K to 12 Curriculum using the Most Essential Learning Competencies (MELC) in developing this instructional resource.

This learning material hopes to engage the learners in guided and independent learning activities at their own pace and time. Further, this also aims to help learners acquire the needed 21st century skills especially the 5 Cs, namely: Communication, Collaboration, Creativity, Critical Thinking, and Character while taking into consideration their needs and circumstances.

In addition to the material in the main text, you will also see this box in the body of the module:



### ***Notes to the Teacher***

This contains helpful tips or strategies that will help you in guiding the learners.

As a facilitator you are expected to orient the learners on how to use this module. You also need to keep track of the learners' progress while allowing them to manage their own learning. Moreover, you are expected to encourage and assist the learners as they do the tasks included in the module.



For the learner:

Welcome to the Applied Economics Self Learning Module on SWOT Analysis!

This module was designed to provide you with fun and meaningful opportunities for guided and independent learning at your own pace and time. You will be enabled to process the contents of the learning material while being an active learner.

This module has the following parts and corresponding icons:



**Expectations** - This points to the set of knowledge and skills that you will learn after completing the module.



**Pretest** - This measures your prior knowledge about the lesson at hand.



**Recap** - This part of the module provides a review of concepts and skills that you already know about a previous lesson.



**Lesson** - This section discusses the topic in the module.



**Activities** - This is a set of activities that you need to perform.



**Wrap-Up** - This section summarizes the concepts and application of the lesson.



**Valuing** - This part integrates a desirable moral value in the lesson.



**Posttest** - This measures how much you have learned from the entire module.



## EXPECTATIONS

After going through this module, you are expected to:

1. understand SWOT analysis;
2. discuss the purpose of SWOT analysis; and
3. identify the SWOT of a business.



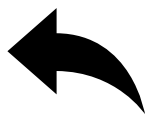
## PRETEST

Directions: Read each statement carefully. Choose the letter of the best answer and write it on a separate sheet of paper.

1. It is a strategic planning technique to assess the internal and external factors as well as current and future potential.
  - A. SWOT Analysis
  - B. Environmental Scanning
  - C. Business Plan
  - D. Marketing Research
2. SWOT stand for \_\_\_\_\_.
  - A. Strengths, Weaknesses, Opportunities, and Treats
  - B. Strengths, Weaknesses, Opportunities, and Threats
  - C. Strengths, Weaknesses, Opportunities, and Time
  - D. Strengths, Weaknesses, Opportunities, and Time-bound
3. It describes what an organization excels at and what separates it from the competition.
  - A. Strengths
  - B. Weaknesses
  - C. Opportunities
  - D. None of the above



4. It refers to favorable external factors that could give an organization a competitive advantage.
- A. Strengths
  - B. Weaknesses
  - C. Opportunities
  - D. None of the above
5. It refers to factors that have the potential to harm an organization.
- A. Strengths
  - B. Weaknesses
  - C. Opportunities
  - D. None of the above



## RECAP

Directions: Enumerate the micro and macro-environmental factors.

Micro-Environmental Factors	Macro-Environmental Factors





# LESSON

## SWOT Analysis

SWOT (strengths, weaknesses, opportunities, and threats) analysis is a framework used to evaluate a company's competitive position and to develop strategic planning. SWOT analysis assesses internal and external factors, as well as current and future potential (Grant, 2020).

A SWOT analysis is designed to facilitate a realistic, fact-based, data-driven look at the strengths and weaknesses of an organization or an industry. The organization needs to keep the accuracy of the analysis by avoiding pre-conceived beliefs or gray areas and instead focusing on real-life contexts. Companies should use it as a guide and not necessarily as a prescription.

SWOT analysis is a technique for assessing the performance, competition, risk, and potential of a business, as well as part of a business such as a product line or division, an industry, or other entity.

### Internal Factors: Strengths (S) and Weaknesses (W)

These are the resources and experiences readily available to the business proponents. These factors include:

1. financial resources such as money and source of funds for investment;
2. physical resources such as the company's location, facilities, machinery, and equipment;
3. human resources consisting of employees;
4. access to natural resources, trademarks, patents, and copyrights; and
5. current processes, such as employee programs, sales, and distribution capabilities, marketing programs, etc.

**Strengths** describe what an organization excels at and what separates it from the competition: a strong brand, loyal customer base, a strong balance sheet, unique technology, and more.

**Weaknesses** stop an organization from performing at its optimum level. There are areas where the business needs to improve: lack of raw materials, personnel attitude, poor location, and lack of budget for product promotion, among others.





### **External Factors: Opportunities (O) and Threats (T)**

These are factors that affect a company, an organization, an individual, and those outside their control. These factors include:

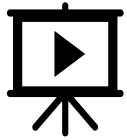
1. economic trends such as stock market, economic performance, and the like;
2. market trends such as new products or technology, changes in tastes and lifestyle of society;
3. national and local laws and regulations;
4. relationship with suppliers; and
5. competitive threats.

**Opportunities** refer to favorable external factors that could give an organization a competitive advantage. Examples include larger market, company expansion, and new customer trends, among others.

**Threats** refer to factors that have the potential to harm an organization. For example, changes in government policy, changes in consumer tastes and preferences, inflation, and recession, among others.

	+	-
Internal Factors	<b>S</b>	<b>W</b>
External Factors	<b>O</b>	<b>T</b>





## ACTIVITIES

### Activity: SWOT Analysis

Directions: Identify if the following situations are under STRENGTHS, WEAKNESSES, OPPORTUNITY, and THREATS. Write the number of the corresponding market situation in the SWOT Analysis Matrix.

Business: Barbecue Stand

1. The City Council of LGU in Pasig passed a new bill requiring small businesses to register in the Business and Licensing Department of the City which is costly.
2. More customers are beginning to like the sauces used by the barbecue business.
3. The carinderia in front of the barbecue stand added grilled meals in their menu.
4. Customers are asking if they can order ahead of time by texting the owner.
5. There is a steady supply of meals in the market.
6. Poor sanitation practices by the helpers.
7. A new building is under construction near the barbecue stand.
8. Only 2 helpers are attending to the needs of growing customers.

S	W
O	T





## WRAP-UP

To summarize what you have learned in the lesson, answer the following questions:

1. What is a SWOT analysis?
2. What is the purpose of SWOT analysis?



## VALUING

Reflect on this!

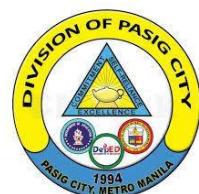
*“Sometimes you don’t realize your strength until you come face to face with your greatest weakness.” - Susan Gale*



## POSTTEST

Directions: Read each statement carefully. Write **T** if the statement is correct, otherwise write **F**.

- \_\_\_\_\_ 1. Weaknesses refer to factors that have the potential to harm an organization.
- \_\_\_\_\_ 2. Strengths describe what an organization excels at and what separates it from the competition.
- \_\_\_\_\_ 3. Opportunities refer to favorable external factors that could give an organization a competitive advantage.
- \_\_\_\_\_ 4. Threat stop an organization from performing at its optimum level.
- \_\_\_\_\_ 5. Identifying core strengths, weaknesses, opportunities, and threats lead to fact-based analysis, fresh perspectives, and new ideas.





## KEY TO CORRECTION

PRETEST 1. A 2. B 3. A 4. C 5. D	ACTIVITY: 1. T 2. S 3. T 4. O 5. S 6. W 7. O 8. W	POSTTEST: 1. F 2. T 3. T 4. F 5. T
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Dinio, R. and Villalis, G. *Applied Economics*. Rex Book Store, Inc. Sampaloc, Manila, 2017.

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