RISK MANAGEMENT ANALYTICS

Northeastern University

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MODULE 1 PROJECT ASSIGNMENT

WEEK 1: SWOT Analysis

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Introduction

The assignment aims at performing the SWOT analysis by considering the example of an enterprise. This will help in understanding potential threats and strengths that an enterprise can face, and how the enterprise can leverage its strengths to overcome its weaknesses and gain an advantage in the market.

Analysis

As we are aware, SWOT analysis stands for the analysis of the organization's Strengths, Weaknesses, Opportunities, and Threats. This analysis is beneficial to the organizations in understanding their areas of improvement (Parsons, N. 2021), by leveraging their strengths and overcoming threats in the future. Moreover, this analysis would provide insights into the risks of encountering losses in the future, and understanding these risks will help the company keep up with the competitors.

Let's consider an example of a clothing enterprise, named, MIA, located in Boston and established in 2013. This enterprise is running a great business for the past 8 years and doing great in the clothing industry sector. Moreover, this industry provides clothing and accessories for men, women, and children.

SWOT analysis for the clothing enterprise, MIA :

(a) *Strengths*
  The strengths are some positive factors that help the organization grow by achieving its goals within a given period.
- Variety of available products: As we know, stores need to have the latest collection of products, for customers to buy them. The store provides a wide range of designer and trendy collections for men and women, which has been attracting customers for a while.
- Reasonable Prices: The price range of products is crucial as people tend to buy only when the prices are reasonable. The price range of products i.e. clothes and accessories have been affordable for the people. Moreover, the store opens up discounts and sales during occasions which attracts the customers, thereby improving sales.
- Store location: The location of the store is very important in expanding the store amongst the people. The store is located in the greater Boston area, and at the heart of the city, which has always attracted customers. The store location plays a major role in the store's revenue and profits, therefore, this store has been performing well as it has been located at one of the prime locations of Boston.

(b) *Weaknesses*
  The weaknesses are some negative factors that do not provide enough opportunities for the organization to grow and may act as a hindrance for the organization in reaching its goals.
- Reliant on different brands for fashion trends: The organization does not have its fashion styles and is reliant on existing market trends to design clothes for youngsters. This may not benefit the organization in the long term.

- No Uniqueness: The store does not provide any unique clothing patterns, and therefore lacks in satisfying customers with their unique clothes. These clothes are available with other competitors and therefore the store does not stand out amongst its competitors.
- Store Timings: The store is closed on weekends, i.e. the Saturdays and Sundays. This limits their sales to only weekdays. As, we know, people tend to visit stores often on weekends than weekdays, this would increase their sales considerably.

(c) *Opportunities*

All organizations receive opportunities for growth, which helps them to increase their sales by extracting the maximum from the potential opportunities, in long term.

- Expanding stores: The company would benefit from expansion in stores at different locations. This will enable great sales growth and a good investment for the company.
- Build Supplier Relationships: The company would grow substantially if it extends its contracts and relationships with suppliers from different brands.
- E-Commerce Development: The company should work on expanding its website and application, by making all the store clothing items available online as well. This will improve their sales as customers will prefer buying those clothes online.

(d) *Threats*

The threats can negatively impact the organization as they can harm the company's brands, and raise potential risks.

- Advancement in Clothing Styles: The clothing patterns and fashion keeps changing from time to time, and the company needs to keep on par with the recent trends in the industry. This can be a potential risk for the company in terms of keeping up with the recent designs.
- Competition in Industry: There is tremendous competition in the clothing industry as all brands are trying to keep up with the recent trends to lure customers in their deals. Therefore the company needs to work on providing trendy clothes with reasonable prices to improve their sales.
- Marketing Investment: There is some marketing investment required for marketing the brand based on the location of the store, for maintaining potential customers.

Conclusion

The SWOT analysis on the clothing industry has helped in understanding the potential strengths, weaknesses, opportunities, and threats for the store. This will help the store in analyzing potential risks in the future and ways to overcome them, by emphasizing their strengths.

References

Parsons, N. (2021, February 3). What Is a SWOT Analysis and How to Do it Right in 2021 (With Examples). LivePlan Blog. https://www.liveplan.com/blog/what-is-a-swot-analysis-and-how-to-do-it-right-with-examples/.