

Module 3

Managing A Product

Performing SWOT analysis

Strategic Planning

- Definitions of strategic analysis often differ, but the following attributes are commonly associated with it:
 1. Identification and evaluation of data relevant to strategy formulation.
 2. Definition of the external and internal environment to be analysed.
 3. A range of analytical methods that can be employed in the analysis.

Strategic Planning

- Examples of analytical methods used in strategic analysis include:
 - SWOT analysis
 - PEST analysis
 - Porter's five forces analysis
 - four corner's analysis
 - value chain analysis

Refer [strategic_analysis_tools.pdf](#) discussed in and shared on classroom

Performing SWOT analysis

- SWOT analysis is a **commonly used business tool** that can help boost future business performance.
- It helps identify how certain internal and external factors affect business.
- Small and big companies rely on this technique. The traditional SWOT analysis can also help **startups**.

Performing SWOT analysis

- SWOT is a structured planning method. It is commonly used to evaluate four factors.
- The factors evaluated are Strengths, Weaknesses, Opportunities, and Threats.
- The analysis helps companies involved explore what they are good at and what they can improve.

Performing SWOT analysis

- These are classified into Internal and external factors. Strengths and weaknesses are internal factors.
- As firms cannot control opportunities and threats, they are external factors.

Why use SWOT tools?

- SWOT is a structured analytical framework.
- SWOT can be used in conjunction with other tools for audit and analysis e.g. PESTLE analysis, Porter's Five-Forces analysis.
- SWOT helps to focus on areas of strength, recognise limitations and develop opportunities in the most promising directions.
- SWOT is used widely because it is quick and easy to learn.
- You can apply SWOT analysis to competing techniques. This may produce some interesting insights!

Strengths

- Resources and capabilities that can be used as a basis for developing a competitive advantage.
- Characteristics that can be controlled.
 - Consider this from the technologists point of view and from the point of view of the people who will use the data.
 - Don't be modest. Be realistic. If you are having any difficulty with this, try writing down a list of the characteristics of Earth observation missions and data products. Some of these will hopefully be strengths!
 - Remember that not all strengths offer an advantage over competing techniques. For example, if all techniques generate global products then although a strength it is not an advantage.

Weaknesses

- In some cases, a weakness may be the flip side of a strength.
- Take the case of a state-of-the-art digital technology that requires a large capital investment.

While automated technology may be considered a strength that other technologies do not share, it also may be considered a weakness if the large investment limits the financial resources available for training the specialists required to use the equipment or distribute the data.

Opportunities

Analysing the external environment may reveal certain new opportunities and emerging applications.

What are the interesting trends you are aware of? Useful opportunities can come from such things as:

- Developments in science and technology.
- Changes in markets on both a national and international scale.
- Changes in government policy e.g. removal of international trade barriers, signing Kyoto agreement, homeland security and the fight against terrorism.
- Changes in social patterns, population profiles, lifestyle changes, etc.
- Mergers, joint ventures or strategic alliances based on geopolitical and public-private partnerships.
- Non-investment or other reason leading to a market being vacated by a competitor technology.

Opportunities

Useful opportunities can come from such things as:

- An unfulfilled customer need e.g. a specific data requirements or data required for a particular geographical area.
- Opportunities to add value and increase profit margin e.g. new business models for the knowledge economy and information society.
- A later stage in SWOT analysis is to look at the strengths and ask whether these open up any opportunities. Alternatively, look at weaknesses and ask whether you could open up opportunities by eliminating them.

Threats

Changes in the external environmental may also present threats.

Some examples of such threats include:

- Changing demand.
- Emergence of new technologies or innovative products and services.
- New regulations or increased trade barriers e.g. environmental lobby seeks a ban on launching spacecraft.
- Government subsidies for competing technologies or disadvantageous taxation e.g. gaseous emissions.
- Competing technologies that blend better with societal and technological trends.
- Changing specifications for products and services.
- Economic sustainability.
- Could a non-technical weaknesses seriously undermine the technology?

SWOT analysis diagram

Strengths <ul style="list-style-type: none">• What does your organisation do better than others?• What are your unique selling points?• What do your competitors and customers in your market perceive as your strengths?• What is your organisations competitive edge?	Opportunities <ul style="list-style-type: none">• What political, economic, social-cultural, or technology (PEST) changes are taking place that could be favourable to you?• Where are there currently gaps in the market or unfulfilled demand?• What new innovation could your organisation bring to the market?
Weakness <ul style="list-style-type: none">• What do other organisations do better than you?• What elements of your business add little or no value?• What do competitors and customers in your market perceive as your weakness?	Threats <ul style="list-style-type: none">• What political, economic, social-cultural, or technology (PEST) changes are taking place that could be unfavourable to you?• What restraints to you face?• What is your competition doing that could negatively impact you?

Performing SWOT analysis

- When using SWOT analysis, it should be ensured that:
 - Only specific, verifiable statements are used. An example might be ‘price is £1.50 per unit lower than competition’ rather than ‘good value for money’.
 - Internal and external factors are prioritized so that time is spent concentrating on the most significant factors. This should include a risk assessment to ensure that high risk or high impact threats and opportunities are clearly identified and are dealt with in priority order.

Performing SWOT analysis

- When using SWOT analysis, it should be ensured that:
 - Issues identified are retained for later in the strategy formation process.
 - The analysis is pitched at the project or business activity level rather than at a total company level, which may be less actionable.
 - It is not used in exclusivity. No one tool is likely to be completely comprehensive, so a mixture of option-generating tools should be used.

