

Strengths, Weaknesses, Opportunities & Threats ~ S.W.O.T Analysis

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S.W.O.T. Analysis

- **Strengths:** attributes of the organization that are helpful to achieving the objective.
- **Weaknesses:** attributes of the organization that are harmful to achieving the objective.
- **Opportunities:** *external* conditions that are helpful to achieving the objective.
- **Threats:** *external* conditions which could do damage to the business's performance. company, but be as concise as possible.

SWOT Analysis Questions

Ask and answer each of the following four questions, many times:

- **How can we Use and Capitalise on each Strength?**
- **How can we Improve each Weakness?**
- **How can we Exploit and Benefit from each Opportunity?**
- **How can we Mitigate each Threat?**

SWOT Analysis Examples

SWOT analysis example - Small Internet Business who employ mostly contractors

Strength <ul style="list-style-type: none">- Low salary and benefits overhead- Quick to respond to market changes- No hierarcky means quick decision making	Weakness <ul style="list-style-type: none">- Existing workload too great- Project planning non existent- Missing expertise in some areas
Opportunity <ul style="list-style-type: none">- Need to increase market share- Could convert existing products for new market	Threats <ul style="list-style-type: none">- Contractors have little loyalty- Larger competitors traditionally get majority market share- Cost of technology investment

Action Plan:

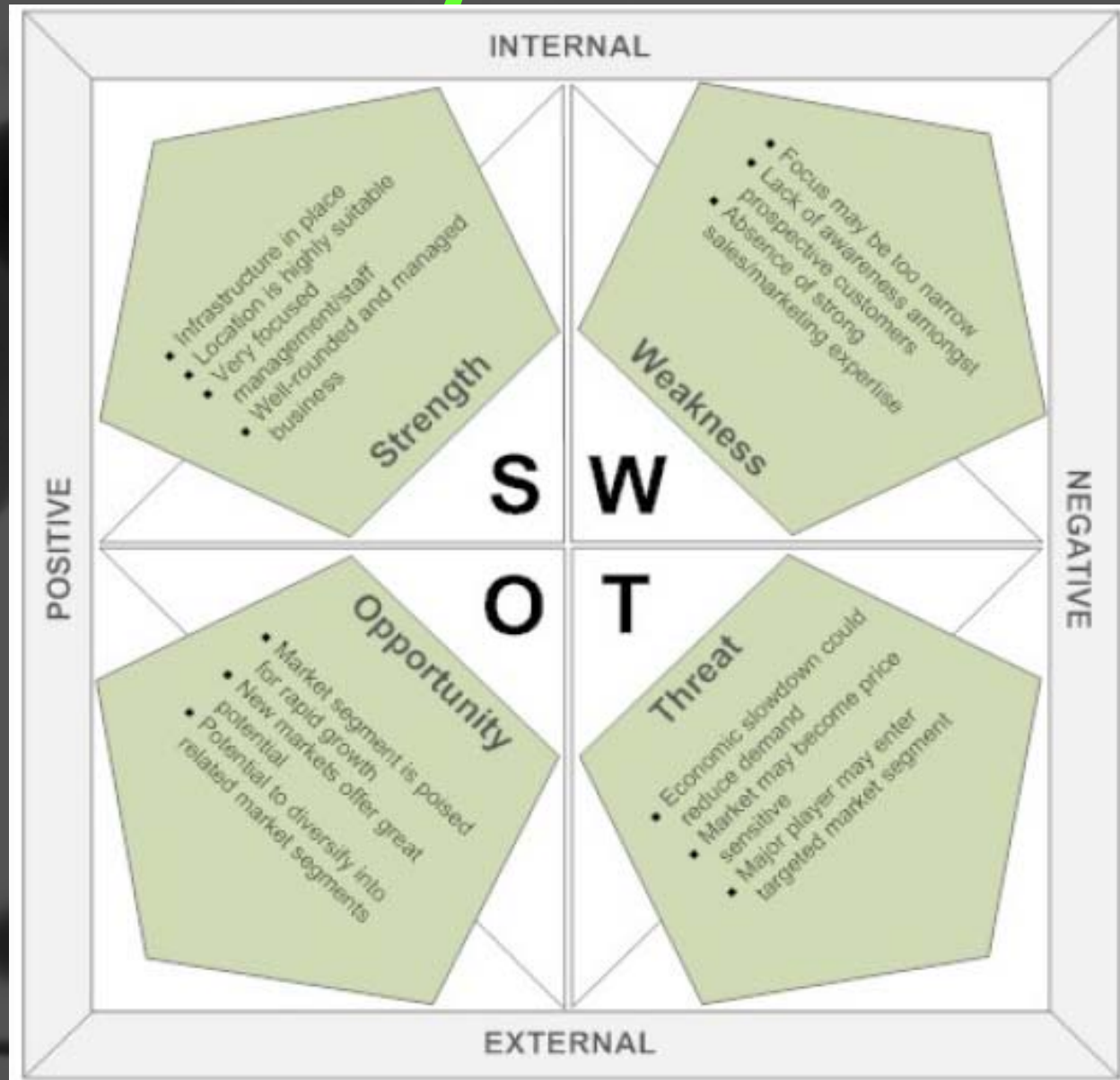
Strengths- Maintain low overhead by changing pay structure to balance basic pay with performance based bonuses

Weakness- Implement project planning system and follow it

Opportunity- Test new market with one existing product

Threats- Include contractors in performance based bonus scheme.

SWOT Analysis Chart



Business SWOT Analysis

Coffee Company SWOT Analysis

Strengths

- It is a global coffee brand built upon a reputation for fine products and services. It has almost 9000 cafes in almost 40 countries.
- One of the Fortune Top 100 Companies to Work For in 2005. The company is a respected employer that values its workforce.
- The organization has strong ethical values and an ethical mission statement.

Weaknesses

- The organization has a strong presence in the United States of America with more than three quarters of their cafes located in the home market. It is often argued that they need to look for a portfolio of countries, in order to spread business risk.
- The organization is dependant on a main competitive advantage, the retail of coffee. This could make them slow to diversify into other sectors should the need arise.

Opportunities

- New products and services that can be retailed in their cafes, such as Fair Trade products.
- The company has the opportunity to expand its global operations. New markets for coffee such as India and the Pacific Rim nations are beginning to emerge.
- Co-branding with other manufacturers of food and drink, and brand franchising to manufacturers of other goods and services both have potential.

Threats

- Who knows if the market for coffee will grow and stay in favor with customers, or whether another type of beverage or leisure activity will replace coffee in the future?
- Company is exposed to rises in the cost of coffee and dairy products.
- Since its conception in 1971, it's success has lead to the market entry of many competitors and copy cat brands that pose potential threats.

SWOT - Product Marketing

Internal	Strengths <ul style="list-style-type: none">✓ Your specialist marketing expertise.✓ A new, innovative product or service.✓ Location of your business.✓ Quality processes and procedures.✓ Any other aspect of your business that adds value to your product or service.	Weaknesses <ul style="list-style-type: none">✓ Lack of marketing expertise.✓ Undifferentiated products or services (i.e. in relation to your competitors).✓ Location of your business.✓ Poor quality goods or services.✓ Damaged reputation.
	External	Opportunities <ul style="list-style-type: none">✓ A developing market such as the Internet.✓ Mergers, joint ventures or strategic alliances.✓ Moving into new market segments that offer improved profits.✓ A new international market.✓ A market vacated by an ineffective competitor.

Strategic Auditing

- **SWOT analysis is an important tool for auditing the overall strategic position of a business and its environment.**
- **Once key strategic issues have been identified, they can feed into business objectives.**
- **SWOT is also used in problem solving, decision making, or for making staff aware of the need for change.**