

SWOT Analysis - Discover new opportunities, Manage and eliminate threats.

SWOT Analysis is a powerful technique for identifying **Strengths** and **Weaknesses**, and for examining the **Opportunities** and **Threats** you face.

Used in a **business context**, it helps you carve a sustainable niche in your market. Used in a **personal context**, it helps you develop your career in a way that takes best advantage of your talents, abilities and opportunities.

Business SWOT Analysis

What makes SWOT particularly powerful is that with a little thought, it can help you uncover opportunities that you are well placed to take advantage of.

And by understanding your weaknesses, you can manage and eliminate threats that would otherwise catch you unawares.

More than this, by looking at yourself and your competitors using the SWOT framework, you can start to craft a strategy that helps **you distinguish yourself from your competitors, so that you can compete successfully in your market.**

How to use the tool:

To carry out a SWOT Analysis, print off the work-sheet, and write down answers to the following questions:

Strengths:

- What advantages does your company have?
- What do you do better than anyone else?
- What unique or lowest-cost resources do you have access to?
- What do people in your market see as your strengths?

Consider this from an internal perspective, and from the point of view of your customers and people in your market. And be realistic: It's far too easy to fall prey to "not invented here syndrome". Also, if you are having any difficulty with this, try writing down a list of your characteristics. Some of these will hopefully be strengths!

In looking at your strengths, think about them in relation to your competitors - for example, if all your competitors provide high quality products, then a high quality production process is not a strength in the market, it is a necessity.

Weaknesses:

- What could you improve?
- What should you avoid?
- What are people in your market likely to see as weaknesses?

Again, consider this from an internal and external basis: Do other people seem to perceive weaknesses that you do not see? Are your competitors doing any better than you? It is best to be realistic now, and face any unpleasant truths as soon as possible.

Opportunities:

- Where are the good opportunities facing you?
- What are the interesting trends you are aware of?

Useful opportunities can come from such things as:

- Changes in technology and markets on both a broad and narrow scale
- Changes in government policy related to your field
- Changes in social patterns, population profiles, lifestyle changes, etc.
- Local Events

A useful approach to looking at opportunities is to look at your strengths and ask yourself whether these open up any opportunities.

Alternatively, look at your weaknesses and ask yourself whether you could open up opportunities by eliminating them.

Threats:

- What obstacles do you face?
- What is your competition doing?
- Are the required specifications for your job, products or services changing?
- Is changing technology threatening your position?
- Do you have bad debt or cash-flow problems?
- Could any of your weaknesses seriously threaten your business?

Carrying out this analysis will often be illuminating - both in terms of pointing out what needs to be done, and in putting problems into perspective.

You can also apply SWOT analysis to your competitors. As you do this, you'll start to see how and where you should compete against them.

Example:

A start-up small consultancy business might carry out the following SWOT analysis:

Strengths:

- We are able to respond very quickly as we have no red tape, no need for higher management approval, etc.
- We are able to give really good customer care, as the current small amount of work means we have plenty of time to devote to customers

- Our lead consultant has strong reputation within the market
- We can change direction quickly if we find that our marketing is not working
- We have little overhead, so can offer good value to customers

Weaknesses:

- Our company has no market presence or reputation
- We have a small staff with a shallow skills base in many areas
- We are vulnerable to vital staff being sick, leaving, etc.
- Our cash flow will be unreliable in the early stages

Opportunities:

- Our business sector is expanding, with many future opportunities for success
- Our local council wants to encourage local businesses with work where possible
- Our competitors may be slow to adopt new technologies

Threats:

- Will developments in technology change this market beyond our ability to adapt?
- A small change in focus of a large competitor might wipe out any market position we achieve

The consultancy may therefore decide to specialize in rapid response, good value services to local businesses. Marketing would be in selected local publications, to get the greatest possible market presence for a set advertising budget. The consultancy should keep up-to-date with changes in technology where possible.

Key points:

SWOT analysis is a framework for analyzing your company's strengths and weaknesses, and the opportunities and threats you face.

This will help you to focus on your strengths, minimize weaknesses, and take the greatest possible advantage of opportunities available.



SWOT ANALYSIS WORK-SHEET

<p>Strengths: What do you do well? What unique resources can you draw on? What do others see as your strengths?</p>	<p>Weaknesses: What could you improve? Where do you have fewer resources than others? What are others likely to see as weaknesses?</p>
<p>Opportunities: What good opportunities are open to you? What trends could you take advantage of? How can you turn your strengths into opportunities?</p>	<p>Threats: What trends could harm you? What is your competition doing? What threats do your weaknesses expose you to?</p>