

NAME

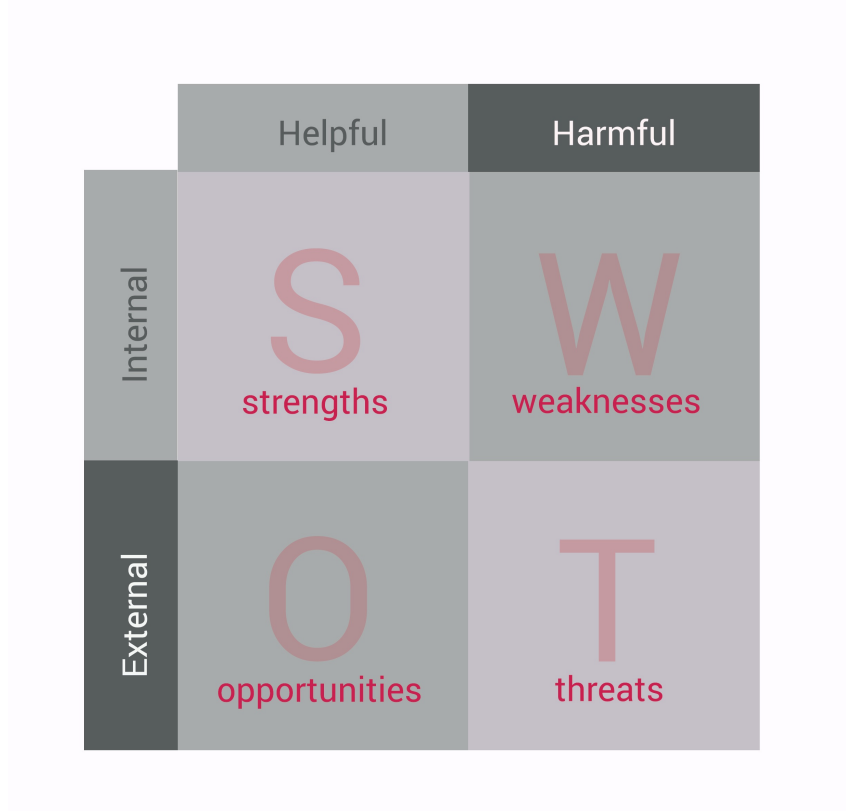
SWOT analysis

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INTRODUCTION

The SWOT analysis is a structured planning method to evaluate your organisation's strengths and weakness internally, but also to consider external threats and opportunities. A SWOT analysis can be carried out for a service, place, industry or person.



NOTES

What makes SWOT particularly powerful is that, with a little thought, it can help you uncover opportunities that you are well placed to exploit. And by understanding the weaknesses of your organization or service, you can manage and eliminate threats that would otherwise catch you unaware.

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.

To carry out a SWOT Analysis, write down answers to the following questions.

Strengths:

- What advantages does your organization have?
- What do you do better than anyone else?
- What factors mean that you "get the sale"?
- What is your organization's Unique Selling Proposition (USP)?

Consider your strengths from both an internal perspective, and from the point of view of your users and people in your market. Also, if you're having any difficulty identifying strengths, try writing down a list of your organisation's characteristics. Some of these will hopefully be strengths.

When looking at your strengths, think about them in relation to your competitors. For example, if all of your competitors provide high quality services, then this is not a strength in your organisation's market, it's a necessity.

Weaknesses

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

Again, consider this from an internal and external basis: Do other people seem to perceive weaknesses that you don't see? Are your competitors doing any better than you?

It's best to be realistic now, and face any unpleasant truths as soon as possible.

Opportunities

- What good opportunities can you spot?
- What interesting trends are you 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, and so on.
- Local events.

Tip

A useful approach when 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 are your competitors doing?
- Are quality standards or 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?

Further SWOT Tips

If you're using SWOT analysis as a serious tool (rather than as a "warm up" for strategy formulation), make sure you're rigorous in the way you apply it:

- Only accept precise, verifiable statements ("Cost advantage of US\$10/ton in service delivery", rather than "Good value for money").
- Ruthlessly prune long lists of factors, and prioritise them, so that you spend your time thinking about the most significant factors.
- Make sure that options generated are carried through to later stages in the strategy formation process.

USEFUL LINKS

- http://www.mindtools.com/pages/article/newTMC_05.htm