

SWOT Analysis

SWOT stands for Strengths, Weaknesses, Opportunities and Threats. It is a way of summarizing the current state of a company and helping to devise a plan for the future, one that employs the existing strengths, redresses existing weaknesses, exploits opportunities and defends against threats.

Strengths:

- Identify skills and capabilities that you have.
- What can you do particularly well, relative to rivals?
- What do analysts consider to be your strengths?
- What resources do you have?
- Is your brand or reputation strong?

Weaknesses:

- What do rivals do better than you?
- What do you do poorly?
- What generates the most customer dissatisfaction and complaints?
- What generates the most employee dissatisfaction and complaints?
- What processes and activities can you improve?

Opportunities:

- Where can you apply your strengths?
- How are your customers and their needs changing?
- How is technology changing your business?
- Are there new markets for your strengths? (e.g. foreign)
- Are there new ways of producing your products?
- Are your rivals' customers dissatisfied?

Threats:

- Are customers able to meet their needs with alternative products?
- Are customers needs changing away from your product?
- What are your competitors developing?
- Are your rivals improving their product offerings or prices?
- Is new technology making your product obsolete?
- Is your cash-flow and debt position healthy?
- Are your employees satisfied? Is turnover high?
- Is new competition coming?
- Are sales growing slower than the industry average?