

A Sample SWOT Analysis

In the *sample SWOT analysis* below, there are action items beside the weaknesses. You could also add action items beside each of the additional factors – strengths, threats and opportunities. These might be ways to capitalize or leverage on those strategic elements.

Most of the time, SWOTs do not include action items in that section of the strategic plan. I like to include them in the SWOT, and then carry them into the Action Plan, because it reinforces what element of the analysis necessitates the action. I have shown action items in the weaknesses section of the following sample SWOT analysis.

I have found that by doing it this way more attention and understanding is focused on accomplishing the action plan.

Organization – Internal

This section looks at the strengths and weaknesses of the organization. The goal is to manage and control the weaknesses and take advantage of the strengths.

Strengths

- Our brand and reputation in our markets is strong. We are recognized as being professional, reliable and quality-driven.
- We have excellent employees who are well trained, customer oriented and efficient.
- We have a relatively flat organization (from bottom to top: 2 layers) which allows us to make quick decisions and be adaptable to changing market conditions.
- We work on a continuous improvement operating model.
- We capitalize on slow business periods by cross-training employees and taking employees out to meet customers which helps us to develop more capable employees and gives the organization more depth.
- We have built a strong [human resources](#) program at our company; this helps us hire, train and retain the best people.
- We pay attention to our costs and contain costs wherever possible but not at the expense of quality, safety or the environment.
- We have begun to pursue a [market](#) and [product](#) diversification strategy; this enables us to leverage our capabilities and minimize our costs and our risks.

Weaknesses

- We are not the low-cost or low-price supplier in the market.
Action: We need to continuously improve our productivity and efficiency to reduce cost.
- We need to build stronger relationships with our Top 5 Customers.
Action: Make our service commitments and if we fail, admit our mistake, apologize, and learn how to improve.
- Cost of re-investment is high.
Action: All [capital expenditures](#) must be planned and must have an acceptable payback (18 month).

- We have recently focused on a diversification strategy which has a cost to implement.
Action: Focus on cost and resource synergies and ensure that all diversified products have a strong benefit to the organization as a whole.
- We are at risk if we lose one or more of our top 5 accounts.
Action: We need to build new business, new markets and new services to mitigate that risk. We also need to ensure satisfied existing accounts.
- We have too many price levels (for volume purchases).
Action: Conduct a [pricing strategy](#) review. Reduce the price levels to better fit the market and the products and services.

Macroenvironment or external environment (include an industry analysis): encompasses external factors. The purpose of this section is to identify opportunities and threats to the organization.

Threats and Opportunities are external to the organization. We can do little to impact them – they are not controllable by the business – but we can manage our way around threats and manage to leverage opportunities.

Significant External Impacts on Output and Growth

The global economy can have a significant impact on the business, our markets and our customers. Track economic indicators regularly and watch out for a 'free falling' economy, the size and depth of the problem, and the reach across all markets.

Opportunities

- New products and/or services expansion; look for low cost opportunities and ones that leverage our capabilities;
- Partnerships or alliances with other businesses – growing the business by partnering on specific work (for example, submitting [RFP proposals](#) jointly);
- Growth potential of two new customers (30% increase projected for next 2 years);
- Opportunity for growth in under-represented geographic markets;
- Opportunity for growth in new locations;
- Cost of marketing is less in this digital age: capitalize on the lowered cost with a stronger program.

Threats

- Industry strength or weakness: impact of technology/digital age and the adjustment needed within the industry;
- Impact of global economy on local business;
- Foreign currency exchange rate variation: for example, the US/Canadian dollar;
- Unsustainable competitive actions and reactions that force a response. For example, new entrants into the market; competitors with lower cost structure and/or lower price structures; competitors with more products and services (a broader range can be more competitive); competitors with a very focused niche (can become the best); competitors who don't make 'smart' decisions and disrupt the market.

A common attribute of profit leaders among large, medium and small firms is to build a very focused business strategy. One of our key growth strategies is to target growing markets to

which we can apply our core competencies and/or expand services into higher margin operations.

The above **sample SWOT analysis** demonstrates how to use a SWOT model in your strategic planning. SWOT analysis needs to be a key part of your overall [small business plan](#) process. It will help you to define your weaknesses and the threats to your business, as well as help you to build on your organization's strengths and the external opportunities available.

This sample SWOT analysis is a model only; you can, and should, customize it to meet the specific operating environment for your business. Make sure that you update it annually to continually improve your understanding of your organization and the environment it operates in.

Many businesses do not know how to build a SWOT and/or how to use a SWOT analysis; follow this **sample SWOT analysis** and make sure that you build action plans out of your SWOT to achieve your [business growth](#) plan.