

## Using S.W.O.T Analysis

### **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: 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.

Strengths and weaknesses are often internal to your organization. Opportunities and threats often relate to external factors. For this reason the SWOT Analysis is sometimes called Internal-External Analysis and the SWOT Matrix is sometimes called an IE Matrix Analysis Tool.

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