

SWOT Analysis

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SWOT Analysis

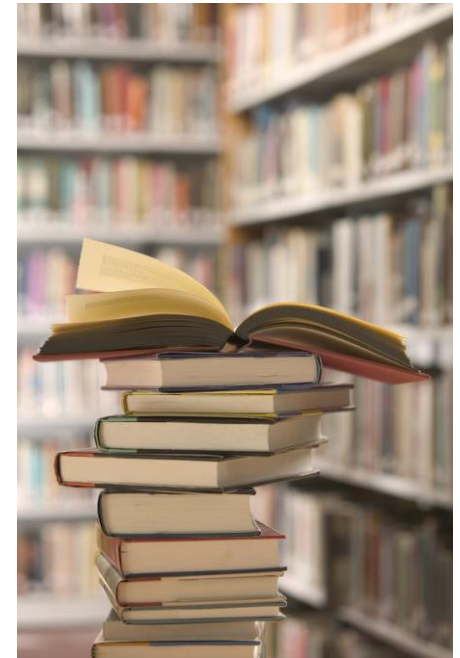
Analysing a company's:

- STRENGTHS
- WEAKNESSES
- OPPORTUNITIES
- THREATS



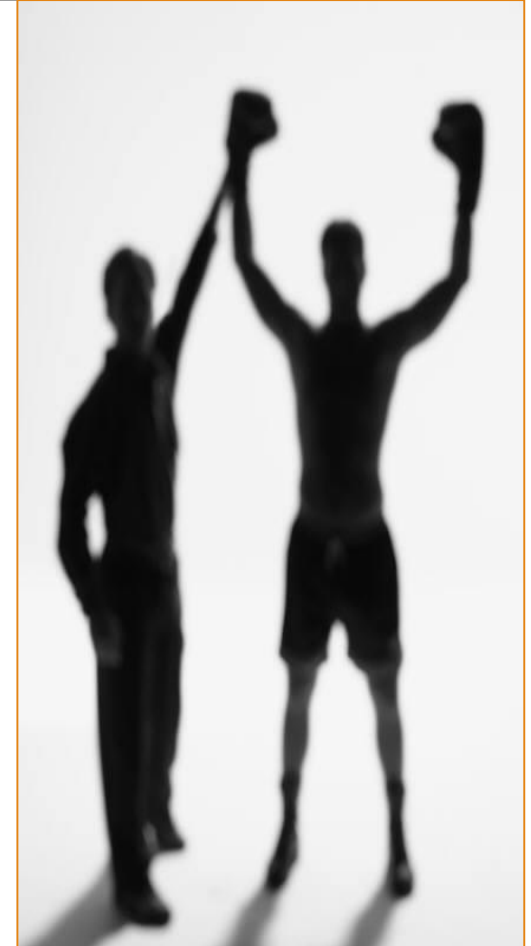
History of SWOT Analysis

- Developed at Stanford
- Funded by Fortune 500 companies
- Took 9 years to develop
- Involved 5000 interviews



SWOT Analysis is...

A strategic planning tool that separates influences on a business's future success into internal and external factors



SWOT Analysis allows businesses to...

- Define realistic goals
- Improve capability
- Overcome weaknesses with strengths
- Identify threats than can be turned into opportunities



A SWOT Matrix...

...separates and compares internal and external influencers:

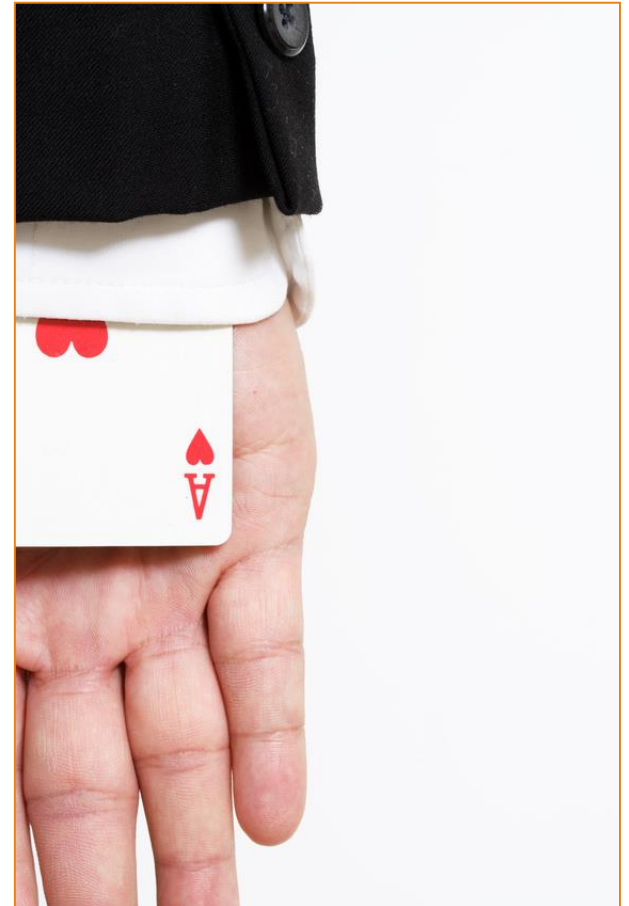
INTERNAL: strengths, weaknesses

External: opportunities, threats



A strength can be a competitive advantage like...

- Superior product quality (Nokia Vs Samsung)
- Lowest price (Every Day Low Price Offers)
- Best expertise (Hotels & Hospitals)
- Location



A weakness can be a disadvantage such as...

- A tired brand
- Inferior location
- High overheads
- A lack of R&D



An opportunity can be...

- A regulatory or tax change
- A high-profile event
(marketing opportunity) (E-Wallet Business)
- An untapped market
- A gap left by a failed competitor

A threat can be...

- Unfavourable regulation changes
- A new entrant into the market
- Problems with the economy
- Market shrinkage



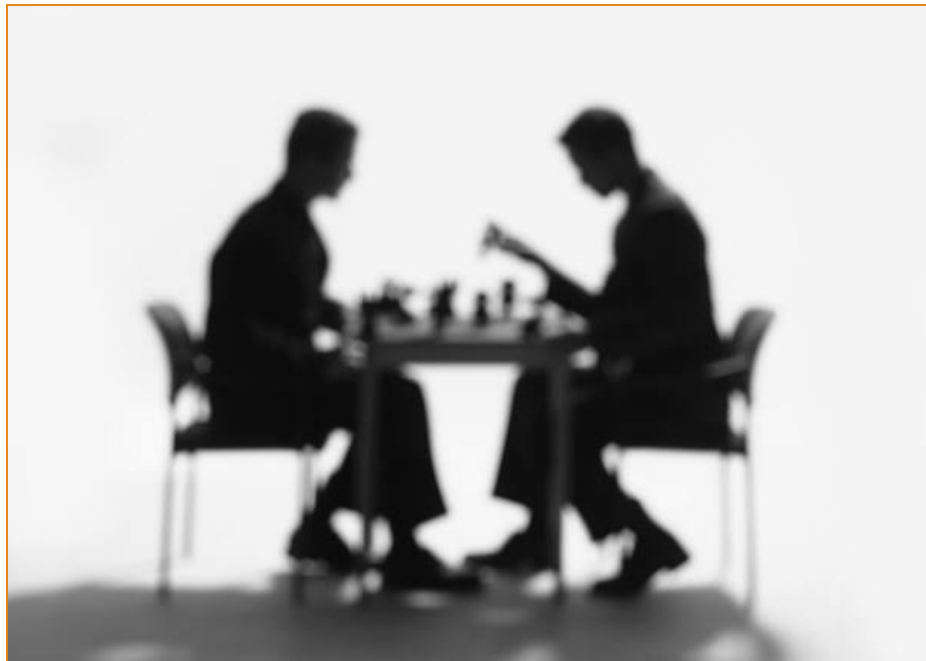
Strategies that can come from SWOT Analysis...

S-O

W-O

S-T

W-T



Matching strengths to opportunities

Otherwise known as:

S-O or Maxi-Maxi strategy

Using a strength to maximise an opportunity



Matching weaknesses to opportunities

Otherwise known as:

W-O or Mini-Maxi strategy

Improving capability to maximise an opportunity



Matching strengths to threats

Otherwise known as:

S-T or Maxi-Mini
strategy

Minimising a threat
with a strength



Matching weaknesses to threats

Otherwise known as:

W-T or Mini-Mini strategy

Minimising weaknesses
and threats at same time

(often last choice)

