

SWOT

An effective way of gaining insights regarding your assets and liabilities and also to identify what's happening in your environment is to undertake a S.W.O.T. analysis. This is a common approach in business planning and analysis.

A SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) can assist you in identifying areas for development and can be the basis of your overall plan.

STRENGTHS need to be maintained, built upon or leveraged.

WEAKNESSES need to be remedied or stopped.

OPPORTUNITIES need to be prioritized and optimized.

THREATS need to be countered or minimized.

After completing your SWOT analysis, ask yourself these questions:

1. How can we use our strengths to enable us to take advantage of the opportunities we have identified?
2. How can we use these strengths to overcome the threats identified?
3. What do we need to do to overcome the identified weaknesses in order to take advantage of the opportunities?
4. How will we minimize our weaknesses to overcome the identified threats?

Step 1 – In the here and now...

List all strengths that exist now. Then in turn, list all weaknesses that exist now. Be realistic but avoid modesty!

Step 2 – What might be...

List all opportunities that exist in the future. Opportunities are potential future strengths. Then in turn, list all threats that exist in the future. Threats are potential future weaknesses.

Step 3 – Plan of action...

Review your SWOT matrix with a view to creating an action plan to address each of the four areas.

A Key Distinction - Internal and External Issues

Strengths and weaknesses are Internal factors. For example, a strength could be your expertise in a specific business segment. A weakness could be the lack of a competitive product.

Opportunities and threats are external factors. For example, an opportunity could be a developing a sales strategy using the Internet, or changing customer demographics. A threat could be a new competitor or changes in the legislative / regulatory environment.

In the forms and resources section of this website you will find both blank S.W.O.T. forms and those with examples of S.W.O.T. items.

Additional information on this and other planning topics can be located through the RESOURCES section on the main menu.

