



How To Carry Out A SWOT Analysis.

SWOT – Strengths, Weaknesses, Opportunities and Threats is a useful tool to help focus strategic thinking on where and how a business should ‘play’ in order to create most value. Beware not to oversimplify or misuse the tool by creating only a list of SWOT factors. The power is in the analysis and development of cross tabulated strategies.

SWOT is sometimes called TOWS as Threats and Opportunities are external and Weaknesses and Strengths are internal factors.

SWOT ANALYSIS		Internal Factors	
		Strengths (S) Internal advantages What are they?	Weaknesses (W) Internal disadvantages What are they?
External Factors	Opportunities (O) Favourable political, economic, social, technological, legal and environmental conditions What are they?	<u>SO Strategy</u> Has potential to be most successful strategy, utilizes the organization’s strengths to maximize the opportunities presented by external circumstances. <i>e. g. a large video conference technology business scales up its operations and increases its customer base by 300% during a pandemic lockdown.</i>	<u>WO Strategy</u> Needs a developmental strategy to overcome and remove weaknesses to maximize the opportunities presented by external circumstances <i>e. g a large food retailer with a poor web presence and no delivery service establishes a partnership with an existing food home delivery business.</i>
	Threats (T) Unfavourable political, economic, social, technological, legal and environmental conditions What are they?	<u>ST Strategy</u> Strategy is to use strengths to cope with or avoid the threats presented by external circumstances. <i>e. g. popular restaurant moves to sell takeaway food during the pandemic.</i>	<u>WT Strategy</u> Strategy here is to cut costs and face a difficult period of retrenchment but ultimately to seek join-ventures or even liquidate the business. <i>e. g. large department store with a poor web presence becomes insolvent and is liquidated.</i>



Activity



Consider undertaking a SWOT Analysis for your business to get a better understanding of your strengths, weaknesses, opportunities and threats.

Other related information

SEDG Resource – Business Plan

SEDG Resource – PESTLE Analysis

Need help?

You can contact at us and arrange a call at: sedg@tsdg.co.uk