

SWOT Analysis

A suggested outline

A **SWOT** Analysis looks at a company's strengths, weaknesses, opportunities and threats. It aims to reveal the competitive advantages of the company as well as analyse its prospects for sales and profitability.

It also aims to prepare a company for problems which may arise, allowing for the development of contingency plans.

An analysis of the company's strengths and weaknesses is an internal examination. It is usually based on an analysis of facts and assumptions about the company and on market research findings.

The opportunity and threat analysis is carried out by examining external factors, eg. economic or social trends, changes in your competitors' behaviour etc.

This list is typical of the issues companies find during a

SWOT Analysis. Tick the box which shows how each issue will affect your company, and whether it has a high or low influence on your company's performance.

Plan to Succeed



Strengths/Weaknesses Analysis

| I | MARKETING | Effect for your company | | | Influence on performance | |
|----------|--|-------------------------|---------|----------|--------------------------|-----|
| | | Strength | Neutral | Weakness | High | Low |
| | Company's image | | | | | |
| | Level of planning/Marketing skills | | | | | |
| | Company's reputation for quality | | | | | |
| | Company's reputation for service | | | | | |
| | Accessibility to raw materials | | | | | |
| | Information availability | | | | | |
| | Familiarity with market | | | | | |
| | Company's market share | | | | | |
| | Market size | | | | | |
| | Market growth | | | | | |
| | Price: Pricing strategy | | | | | |
| | Product: Research and development | | | | | |
| | New product ideas | | | | | |
| | Distribution: Marketing positioning | | | | | |
| | Distribution strategy – domestic | | | | | |
| | Distribution strategy – export | | | | | |
| | Ease of entry | | | | | |
| | Geographical proximity | | | | | |
| | Promotion: Sales force | | | | | |
| | Advertising and promotion | | | | | |
| 2 | FINANCIAL | | | | | |
| | Cost of capital | | | | | |
| | Financial stability | | | | | |
| | Profitability | | | | | |
| | Return on equity | | | | | |
| | Debt to equity ratio | | | | | |
| 3 | MANUFACTURING | | | | | |
| | Manufacturing facilities | | | | | |
| | Economies of scale | | | | | |
| | Capacity to increase production | | | | | |
| | Ability to deliver on time | | | | | |
| | Technical and manufacturing skills | | | | | |
| | Manufacturing costs | | | | | |
| 4 | ORGANISATIONAL | | | | | |
| | Company's leadership | | | | | |
| | Management aspirations for the company | | | | | |
| | Dedication and skill of workers | | | | | |
| | Entrepreneurial orientation | | | | | |
| | Flexibility and adaptability | | | | | |
| | Staff relations/Administration skills | | | | | |
| | Ability to respond to changing conditions | | | | | |
| | Relationship with suppliers, middleperson | | | | | |
| | Language abilities/Professional qualifications | | | | | |
| | Technical qualifications TQM environment | | | | | |
| | Marketing knowledge | | | | | |
| | Information management/Use of it | | | | | |
| | Technology management | | | | | |

SWOT Analysis

Opportunities/Threats Analysis

Plan to Succeed

| | | Effect for your company | | | Influence on performance | |
|-----------|---|-------------------------|---------|--------|--------------------------|-----|
| | | Opportunity | Neutral | Threat | High | Low |
| 5 | DEMOGRAPHIC | | | | | |
| | Population trends | | | | | |
| | Age distribution | | | | | |
| | Birth, death and marriage rates | | | | | |
| | Lifestyle trends | | | | | |
| | Mobility trends | | | | | |
| | Population's level of education | | | | | |
| | Change in buying patterns of typical family | | | | | |
| 6 | ECONOMIC | | | | | |
| | Growth of economy | | | | | |
| | Size of market for products, rate of growth | | | | | |
| | Foreign exchange position | | | | | |
| | Stability of currency, convertibility | | | | | |
| | Per capita income, rate of growth | | | | | |
| | Income distribution | | | | | |
| | Balance of economy (industry-agriculture-trade) | | | | | |
| | Rate of inflation | | | | | |
| 7 | POLITICAL/LEGAL | | | | | |
| | Stability of government | | | | | |
| | Tariffs | | | | | |
| | Regulations in competitive practices | | | | | |
| | Product labelling requirements | | | | | |
| | Consumer information requirements | | | | | |
| | Product standards | | | | | |
| | Government controls & legislation regulating business | | | | | |
| | Non tariff barriers | | | | | |
| 8 | SOCIAL AND CULTURAL | | | | | |
| | Lifestyle trends eg. health and fitness | | | | | |
| | Ethnicity of the population | | | | | |
| | Changes in consumer tastes | | | | | |
| | Business ethics | | | | | |
| | Social factors in business | | | | | |
| | Other trends | | | | | |
| | Change in cultural values | | | | | |
| 9 | ENVIRONMENTAL/TECHNOLOGICAL | | | | | |
| | Importance of environmental issues | | | | | |
| | Pace of technological change | | | | | |
| | Innovational opportunities | | | | | |
| 10 | COMPETITION | | | | | |
| | Dominant market players | | | | | |
| | Number of players | | | | | |
| | Production capability | | | | | |
| 11 | RESEARCH AND DEVELOPMENT | | | | | |
| | Price advantages/Disadvantages | | | | | |
| | Distribution advantages/Disadvantages | | | | | |
| | Market segmentation | | | | | |
| | Product quality | | | | | |
| | Product positioning | | | | | |
| | Supplier power | | | | | |
| | Customer Power | | | | | |
| | Threat of substitution | | | | | |
| | Threat of new entrants | | | | | |
| | Intensity of industry rivalry | | | | | |
| 12 | EXTERNAL ENVIRONMENT | | | | | |
| | Transportation costs/Availability | | | | | |
| | Distribution within market | | | | | |
| | Extent and reliability of postal and phone systems | | | | | |