A SWOT analysis is a tool a business uses to plan focus on key issues. It is similar to a personal SWOT analysis where you would focus on your strengths, weaknesses, opportunities, and threats but instead you perform the SWOT on a company.

Strengths and weaknesses are **internal** factors. For example:

**A strength for a business could be:**
- A new, innovative product or service
- Location of your business
- Quality processes and procedures
- Any other aspect of your business that adds value to your product or service.

**A weakness could be:**
- Lack of marketing experience
- Location of your business
- Poor quality of goods or services
- Damaged reputation

Opportunities and threats are **external** factors. For example:

**An opportunity could be:**
- A developing market such as the internet
- Mergers, joint ventures or strategic alliances
- Moving into new market segments that offer improved profits
- A new international market
- A market vacated by an ineffective competitor.

**A threat could be:**
- A new competitor
- Price wars with competitors
- A competitor has a new, innovative product or service
- Competitors have superior access to channels of distribution
- Taxation is introduced on your product or service.
SWOT ANALYSIS
TIPS

**STRENGTHS**

1) What are your assets?
2) Which assets is strongest?
3) What differentiates you form your competitors?
4) Do you have immensely talented people on your staff?
5) Is your business debt free or have a better debt structure than your competitors?
6) Do you have a broad customer base?
7) What unique resources do you have?
8) Do you have a sustainable competitive advantage?
9) Do you have specific sales or marketing expertise?

**WEAKNESSES**

1) What areas do you need to improve on?
2) What necessary expertise / manpower do you currently lack?
3) In what areas do your competitors have an edge?
4) Are you relying on one customer to much?
5) Do you have adequate cash flow to sustain you?
6) Do you have adequate profit levels?
7) Do you have a well of new ideas?
8) Are you over leveraged (too much debt)?

**OPPORTUNITIES**

1) What external changes present interesting opportunities?
2) What trends might impact your industry?
3) Is there talent located elsewhere that you might be able to acquire?
4) Is a competitor failing to adequately service the market?
5) Is there unmet need / want that you can fulfil?
6) Are there trends emerging that you can profitability service?
7) If you package your product differently, can you extract a higher premium for it?
8) Can you take advantage of the historically low interest rates to refinance your debt?

**THREATS**

1) Is there a better equipped (funding, talent, mobility, etc) competitor in your market?
2) Is there an entity who may not be a competitor today which could possibly become one tomorrow?
3) Are your key staff satisfied in their work? Could they be poached by a competitor?
4) Is your intellectual property properly secured (trademarks, copyrights, firewalls, data security plans, etc) against theft & loss both from internal and external sources.
5) Do you have to rely on third parties for critical steps in your development process that could possibly derail your delivery schedule?
6) What if your supplier runs out of product and you experience an extended stock out or shortage?
7) What if there is a natural disaster?
8) What if your customers go bankrupt?
9) What if you are sued?

Ask the tough questions during a SWOT analysis to best undertake the nature if the environment your business or product line faces. Then, take action on your findings.