



SWOT ANALYSIS TIPS

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 from 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 too 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 profitably 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, ect) 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 of the environment your business or product line faces. Then, take action on your findings.