

# 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

		Effect for your company			Influence on performance	
I	MARKETING	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					
	<b>Price:</b> Pricing strategy					
	<b>Product:</b> Research and development					
	New product ideas					
	<b>Distribution:</b> Marketing positioning					
	Distribution strategy – domestic					
	Distribution strategy – export					
	Ease of entry					
	Geographical proximity					
	<b>Promotion:</b> Sales force					
	Advertising and promotion					
<b>2</b>	<b>FINANCIAL</b>					
	Cost of capital					
	Financial stability					
	Profitability					
	Return on equity					
	Debt to equity ratio					
<b>3</b>	<b>MANUFACTURING</b>					
	Manufacturing facilities					
	Economies of scale					
	Capacity to increase production					
	Ability to deliver on time					
	Technical and manufacturing skills					
	Manufacturing costs					
<b>4</b>	<b>ORGANISATIONAL</b>					
	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
<b>5</b>	<b>DEMOGRAPHIC</b>					
	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					
<b>6</b>	<b>ECONOMIC</b>					
	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					
<b>7</b>	<b>POLITICAL/LEGAL</b>					
	Stability of government					
	Tariffs					
	Regulations in competitive practices					
	Product labelling requirements					
	Consumer information requirements					
	Product standards					
	Government controls & legislation regulating business					
	Non tariff barriers					
<b>8</b>	<b>SOCIAL AND CULTURAL</b>					
	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					
<b>9</b>	<b>ENVIRONMENTAL/TECHNOLOGICAL</b>					
	Importance of environmental issues					
	Pace of technological change					
	Innovational opportunities					
<b>10</b>	<b>COMPETITION</b>					
	Dominant market players					
	Number of players					
	Production capability					
<b>11</b>	<b>RESEARCH AND DEVELOPMENT</b>					
	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					
<b>12</b>	<b>EXTERNAL ENVIRONMENT</b>					
	Transportation costs/Availability					
	Distribution within market					
	Extent and reliability of postal and phone systems					