

## **SWOT – Strengths, Weaknesses, Opportunities, Threats**

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SWOT (Strengths, Weaknesses, Opportunities and Threats) is one of the oldest business tools in the world. It is still around today because it is very simple and yet extremely effective. You do not need to be an advanced MBA graduate to use and gain all the advantages of a SWOT.

### **Purpose of a SWOT**

A SWOT provides you with a snapshot of the current situation of your business. The purpose is to provide you with the knowledge to focus on the right things and create strategies to take advantage of the company's strengths and the opportunities and to deal with the threats and weaknesses.

### **The SWOT Process**

A SWOT can be done anytime and as many times as you want. But at the very least it is done during your planning cycle. It will change as your business and the world around you changes. So you should revisit your SWOT on a regular basis.

Create a SWOT table on a whiteboard or flipcharts like the one on the last page of this document.

Assemble the SWOT team and explain the purpose, process and results of doing a SWOT.

Then with someone writing down the suggestions let the team freely call out.

This is not a systematic process where you do all the Strengths and then move on to the Weaknesses. It is a random process; one person can suggest an Opportunity which triggers another person to provide a Weakness.

Keep discussion to the minimum because you want the ideas to flow naturally. If you stop to discuss an idea it will hinder the natural flow of additional ideas.

The process of doing the SWOT should take no longer than 30 minutes.

It is not unusual for a strength to also be a weakness or a threat to be also an opportunity. Don't stop to debate; write it into both boxes.

Here are some examples of each .....

**Strengths – Internal to the business**

- Skill and experience of the team
- Quality of the products
- New website
- Strong brand
- Excellent relations with the bankers

**Weakness – Internal to the business**

- Under staffed
- Undocumented processes
- Using old versions of Microsoft Office
- Communications within the team
- Too many meetings

**Opportunities - are external. Where are the opportunities that you can take advantage of?**

- Agreements with strategic alliances
- Move into the US market
- New market niches
- License a new service
- Deliver the service online

**Threats – are also external. These are things threatening your business from outside**

- Giant competitor has moved into your space
- Economic uncertainty
- Population in our market is shrinking
- New invention makes our product redundant
- Weather – our product is heavily weather dependent

## The Results

So what do you do with the results? When you are creating your plans or strategies go back to your SWOT and be sure you are creating strategies to take advantage of your strengths and your opportunities and to deal with weaknesses and threats.

Examples:

- Strengths are the things you want to take advantage of. If the new website is seen as a strength then create strategies to increase the traffic to the site.
- If a weakness is communications within the team then create strategies to improve the communication. Examples, regular team update meeting and/or implement an internal intranet.
- Opportunities are also things you want to take advantage of. And so if you decide an opportunity is to license one of your programs then you have strategies around packaging the program, training and supporting the licensees and of course all the legal structures around it.
- A threat may be a looming recession. If this is the case then you will create strategies around pricing structure or changing Ideal Client. Or you may need to put a freeze on new hires.

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## SWOT Analysis Worksheet

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INTERNAL	
Strengths Build on the strengths	Weaknesses Minimize impact of weaknesses
EXTERNAL	
Opportunities Seize the opportunities	Threats Counteract the threats