

What is a SWOT Analysis and how do I make it work for me?

by Fergal Maher

A SWOT analysis is a universally recognised planning tool that is often used, as part of a company or organisation's strategic planning process, to identify strengths and weaknesses.

The analysis strategy involves first specifying the objectives of a business or organisation and then identifying the internal and external factors that are supportive or unfavourable to achieving those objectives.

This is sometimes known as the **4A** model where:

- **Aim** - is the goal or objective that you have identified.
- **Assess** - is the SWOT review itself
- **Activate** – next, identify the strengths or measures of success and use them to advantage
- **Apply** - then determine when and where to take action

The 4-letters of the word 'SWOT' stand for: **Strengths, Weaknesses, Opportunities & Threats**. Let's take a look at each of these four SWOT factors and see how you can use them to create your own SWOT analysis.

Start by grabbing yourself a sheet of paper and rule off 4-boxes as in the fig below. As you can see the top two boxes represent S= Strengths and

SWOT Analysis Template	
Strengths	Weaknesses
1	1
2	2
3	3
4	4
etc	etc
Opportunities	Threats
1	1
2	2
3	3
4	4
etc	etc

W=Weaknesses and the bottom two boxes are for O=Opportunities and T= Threats respectively. What you want to do is fill up each box as best you can. Be clear and be concise.

Box 1 is S = Strengths

In this box you should list all the positive tangible and intangible attributes, internal to your company or organisation. By 'internal' we mean only those internal attributes which are within your company's / organisation's control. Remember, we are looking for positive, and controllable strengths.

For example: We are a long established company with a widespread reputation for very high quality.

Box 2 is W = Weakness

In this box you should list all the factors that are within a company's control that detract from its ability to attain the desired goal. Which areas can the company or organisation improve?

For example: Our long established workforce, is somewhat settled in their ways and are likely to resist change.

Box 3 is O = Opportunities

Here you should set down the external attractive factors that represent the reason for your company or organisation to develop. What opportunities exist which will advance your company or organisation? Identify them by their "time frames"

For example: Our only other alternative competitor is closing – at the end of this month - and their customers will be looking for an alternative supplier. We can fill the gap.

Box 4 is T = Threats

External factors, beyond a company's or organisation's control which could place it at risk. It would be ideal to list the threats by "seriousness"

and “probability of occurrence”.

For example: There is a strong possibility that some senior employees of our main competitor will set up a new company to a/ hold on to the existing business and b/ (a very serious cause of concern) if they do this, they may try to increase the customer base of their new company by targeting our bigger customers with special cut-price offers.

Do you get the idea? A **SWOT analysis** works best when it is part of an overall strategy, or the analysis is undertaken in a given context or situation. Your key to success is the 3'B's: Be realistic, Be Specific and Be Simple.

Be realistic.

Your analysis should distinguish between where your company or organisation is now and where it could be in the future.

Be specific.

Avoid gray areas. Always analyse your position in relation to your competition i.e. better than, or worse than your competition.

Be simple.

Keep your SWOT short and simple - but only as short and simple as the application or situation demands - it must be 'fit for purpose.' Avoid unnecessary complexity and over-analysis. There is no point listing an opportunity (O) if the same opportunity is available to competitors. It is pointless to say you have strengths (S) if your competitors have the same

As you can appreciate, due to the collaborative nature of this analysis methodology, your SWOT will need certain qualities to succeed:

- **Trust** – The questions that SWOT will bring up, particularly in the Weaknesses and Threats categories may be uncomfortable. You must face potential threats openly and objectively.
- **Ability and willingness to implement change.**
- **Diversity** – The team conducting the SWOT analysis should be key people.
- **Time** – Taking the time to do a thorough SWOT assessment will help your team to move forward in the process of developing a workable plan.



B realistic, B specific, B simple

Using SWOT correctly can provide the following:

Strengths: attributes of the company or organisation that are helpful to achieving the objective.

Weaknesses: attributes of the company or organisation that are harmful to achieving the objective.

Opportunities: external conditions that are helpful to achieving the objective.

Threats: external conditions which are harmful to achieving the objective.

With this information to hand, decision makers can then determine whether the objective that the company has set itself is attainable, given the resulting analysis and summary. If the objective is **NOT** attainable a different objective must be selected and the process repeated until an acceptable objective is identified and the SWOT factors pertaining to this new objective are clearly identified.

A special message to you from Fergal Maher – MD SMC

A SWOT analysis is a universally recognised planning tool that is often used, as part of a company or organisation's strategic planning process, to identify strengths and weaknesses. If you'd like to talk to me about strategic planning and the best ways to introduce / apply a SWOT analysis in your organisation call me directly

on: **086 2500691**. I'll be delighted to hear from you.

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