

SWOT Analysis

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SWOT Analysis



S



W

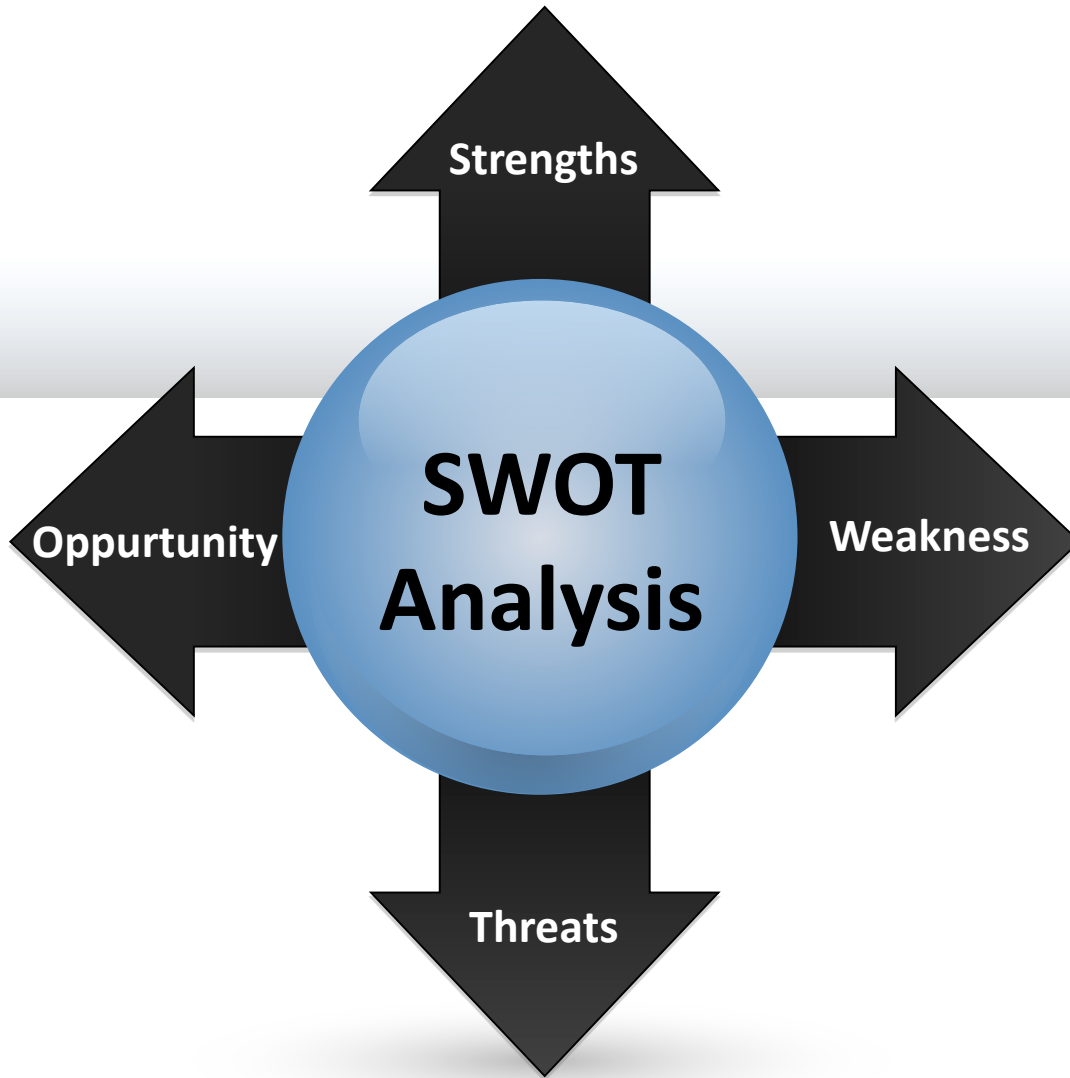


O



T

What is SWOT Analysis?



- ▶ Acronym for **Strengths, Weaknesses, Opportunities, and Threats.**
- ▶ Technique is credited to **Albert Humphrey** who led a research project at Stanford University in the 1960s and 1970s.
- ▶ **Planning tool** used to understand Strengths, Weaknesses, Opportunities, & Threats involved in a project / business.
- ▶ Technique that enables a group / individual to move from everyday problems / traditional strategies to a **fresh perspective.**

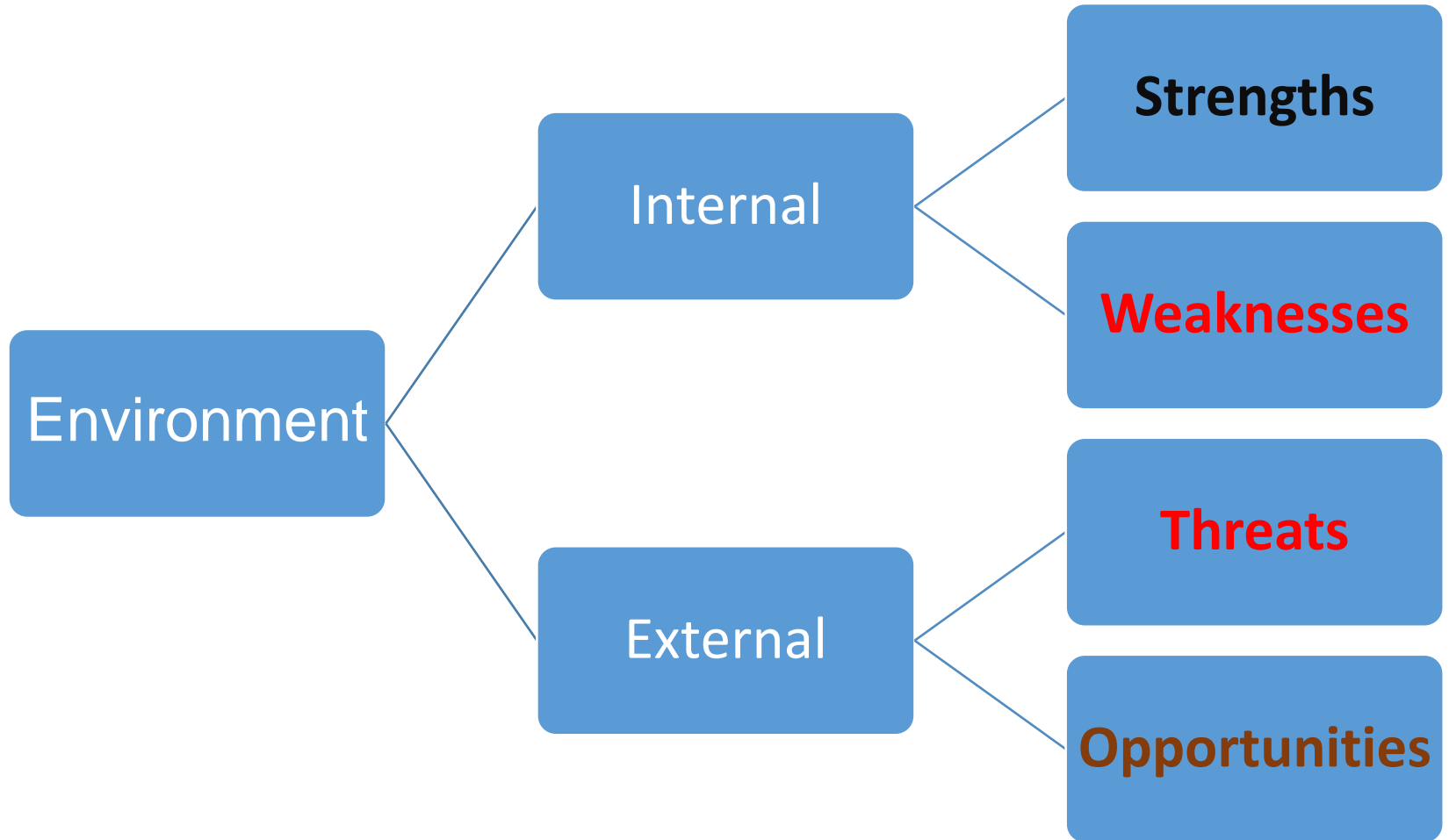
What is SWOT?

- SWOT is a business or strategic planning technique used to summarise the key components of your strategic environments.

Introduction

- SWOT analysis (strengths, weaknesses, opportunities, and threats analysis) is a framework for identifying and analyzing the internal and external factors that can have an impact on the viability of a project, product, place or person.
- Developing a fuller awareness of the situation helps with both strategic planning and decision-making.

SWOT Analysis



Internal vs. External

- **Strengths and Weaknesses** are considered *internal* factors---meaning you as the business owner can control them. How you manage or market the business controls whether it is a strength or weakness
- **Opportunities and Threats** are considered *external* factors---meaning you have little control over them. It is your job as a business owner to **respond** appropriately .

WHEN DO YOU USE SWOT?

A SWOT analysis can offer helpful perspectives at any stage of an effort. You might use it to:

- Explore possibilities for new efforts or solutions to problems.
- Make decisions about the best path for your initiative.
- Determine where change is possible.
- Adjust and refine plans .

LISTING YOUR INTERNAL FACTORS: STRENGTHS AND WEAKNESSES (S, W)

- **Internal factors include your resources and experiences. General areas to consider:**
 - Human resources - staff, volunteers, board members, target population
 - Physical resources - your location, building, equipment
 - Financial - grants, funding agencies, other sources of income
 - Activities and processes - programs you run, systems you employ
 - Past experiences - building blocks for learning and success, your reputation in the community

- LISTING EXTERNAL FACTORS: OPPORTUNITIES AND THREATS (O, T)

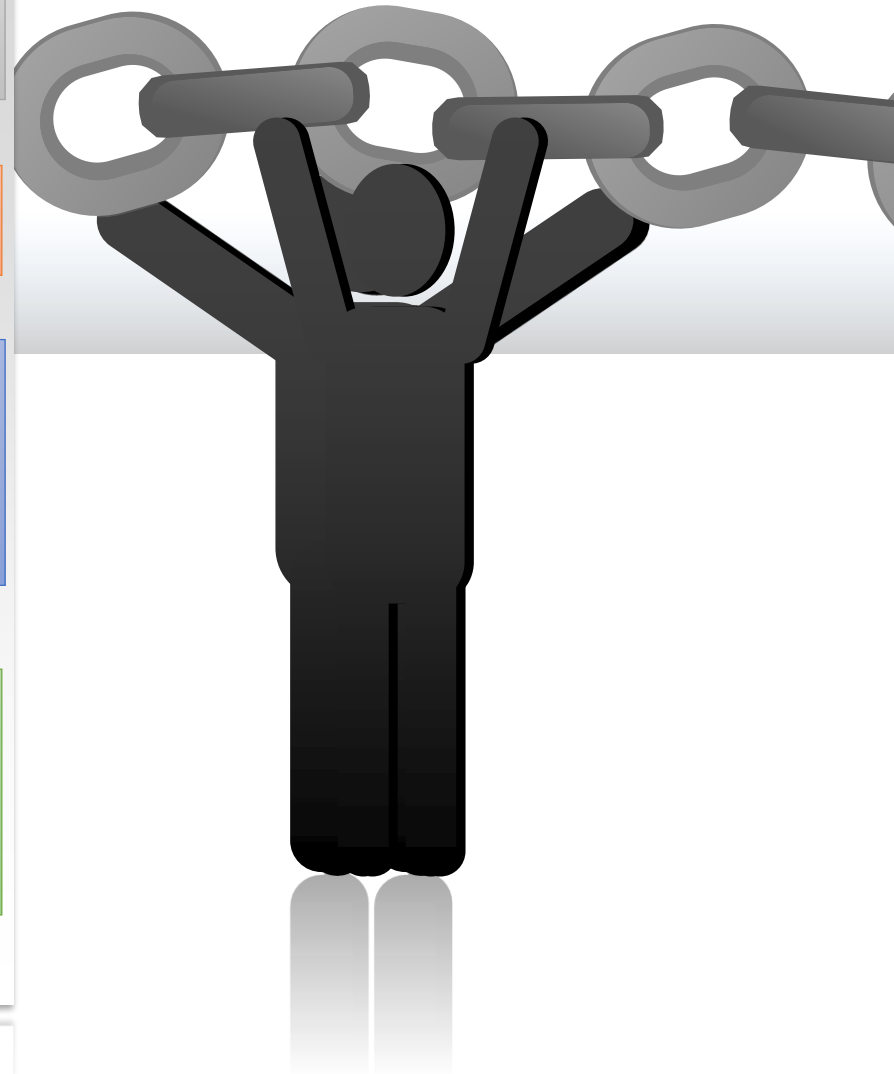
Forces and facts that your group does not control include:

- Future trends in your field or the culture
- The economy - local, national, or international
- Funding sources - foundations, donors, legislatures
- Demographics - changes in the age, race, gender, culture of those you serve or in your area
- The physical environment (Is your building in a growing part of town? Is the bus company cutting routes?)
- Legislation (Do new federal requirements make your job harder...or easier?)
- Local, national or international events

What is SWOT Analysis?

STRENGTHS

- ▶ Feature of the business or a team that give it an advantage over others in the industry.
- ▶ Positive tangible and intangible attributes, internal to an organization.
- ▶ Beneficial aspects of the organization or the capabilities of an organization, which includes human competencies, process capabilities, financial resources, products and services, customer goodwill and brand loyalty.
- ▶ Examples -, Well-known brand name,, Lower costs [raw materials or processes], Superior management talent, Better marketing skills, Good distribution skills, Committed employees.



What is SWOT Analysis?

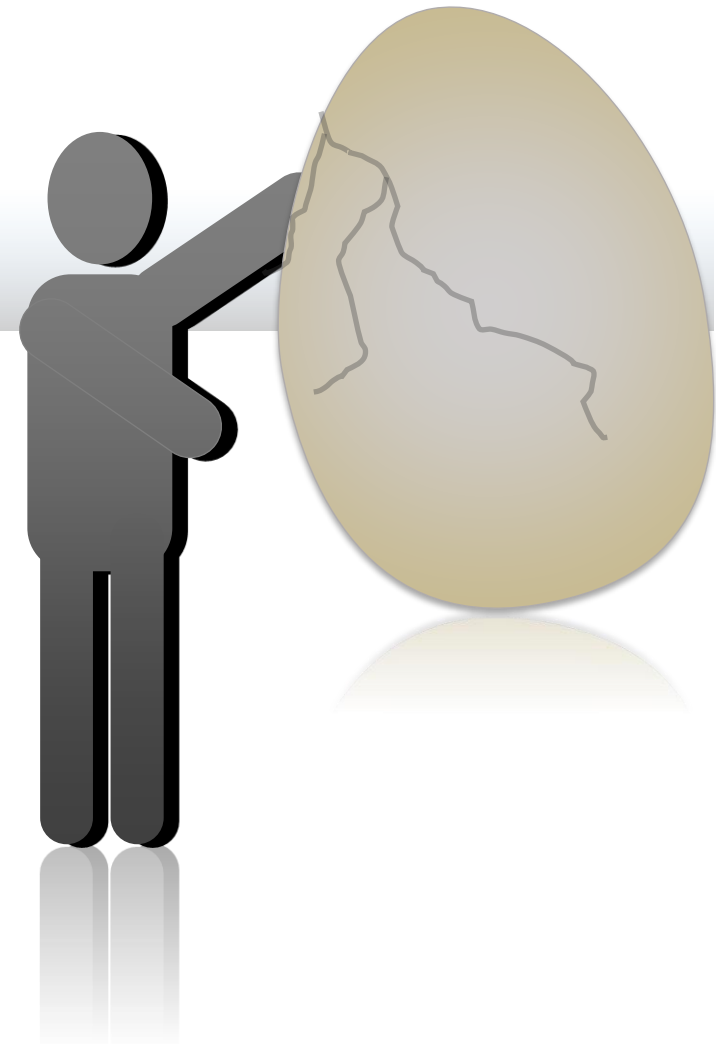
WEAKNESSES

▶ **Characteristics that place the firm at a disadvantage relative to others.**

▶ **Detract the organization from its ability to attain the core goal and influence its growth.**

▶ **Weaknesses are the factors which do not meet the standards we feel they should meet. However, sometimes weaknesses are controllable. They must be minimized and eliminated.**

▶ **Examples - Limited financial resources, Limited distribution, Higher costs, Out-of-date products / technology, Weak market image, Poor marketing skills, Limited management skills.**



What is SWOT Analysis?

OPPORTUNITIES

- ▶ **Chances to make greater profits in the environment - External attractive factors that represent the reason for an organization to exist & develop.**
- ▶ **Arise when an organization can take benefit of conditions in its environment to plan and execute strategies that enable it to become more profitable.**
- ▶ **Organization should be careful and recognize the opportunities and grasp them whenever they arise. Opportunities may arise from market, competition, industry/government and technology.**
- ▶ **Examples - Rapid market growth, Changing customer needs/tastes, New uses for product discovered, Economic boom, Sales decline for a substitute product .**



What is SWOT Analysis?

THREATS

▶ **External elements in the environment that could cause trouble for the business - External factors, beyond an organization's control, which could place the organization's mission or operation at risk.**

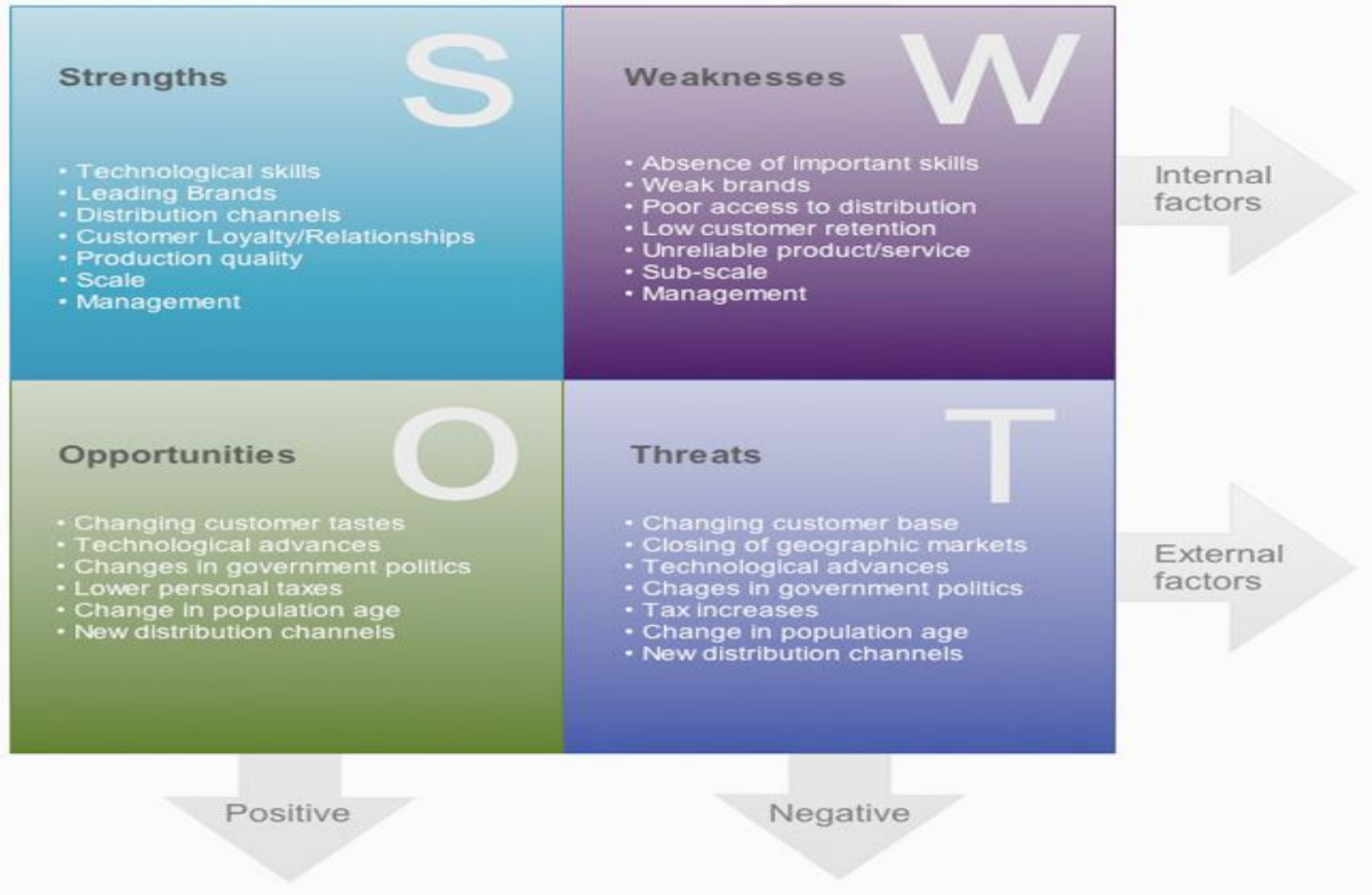
▶ **Arise when conditions in external environment jeopardize the reliability and profitability of the organization's business.**

▶ **Examples - Entry of foreign competitors, Changing customer needs/tastes, Rival firms, adopt new strategies, Increased government regulation, Economic downturn.**



How to conduct SWOT Analysis?

SWOT Analysis



Tips & Exercise

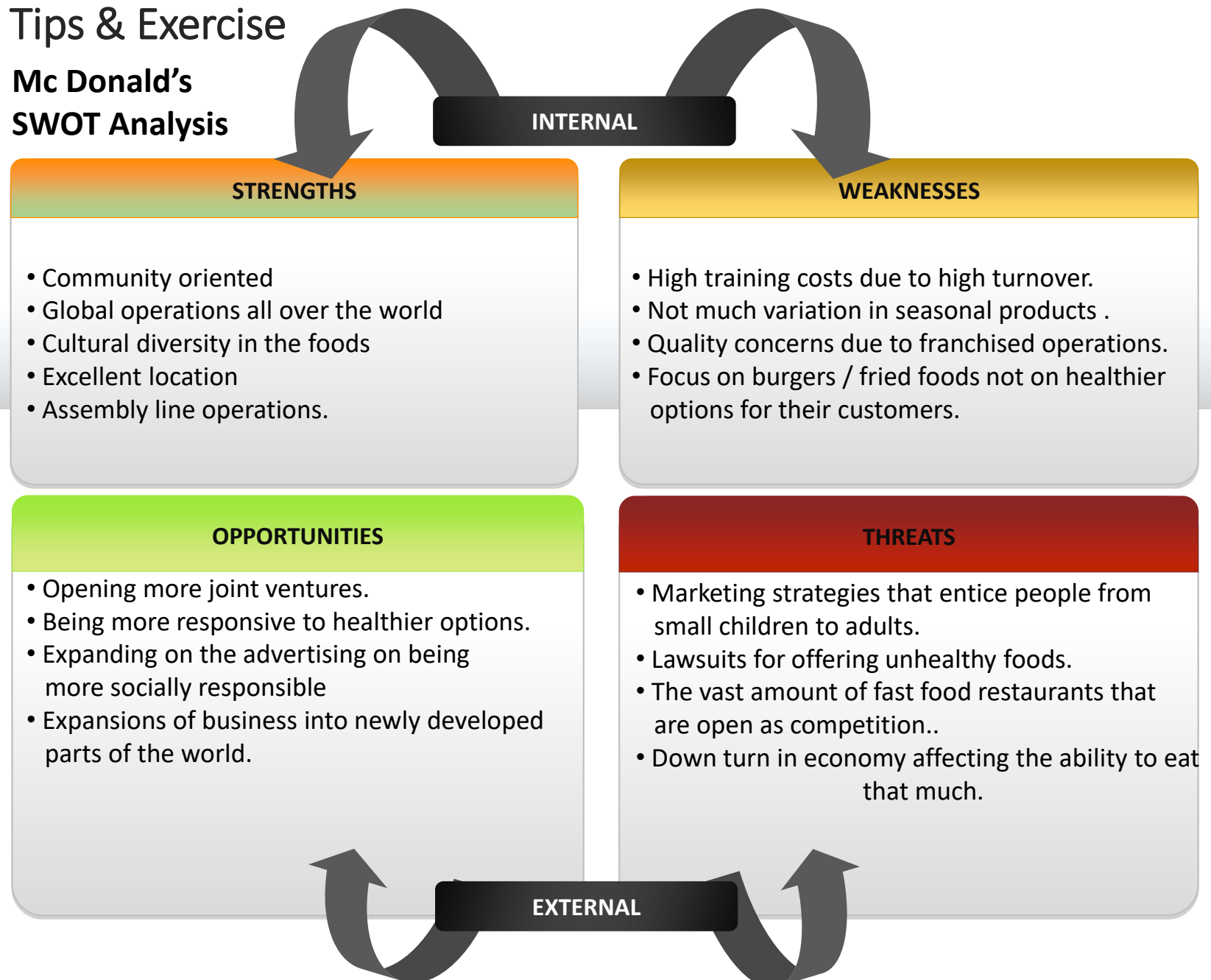
EXAMPLE

McDonald's SWOT Analysis



Tips & Exercise

Mc Donald's SWOT Analysis



Thank You!