

# SWOT ANALYSIS

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# SWOT VIDEO

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- <https://www.cipd.co.uk/knowledge/strategy/organisational-development/swot-analysis-factsheet>

# WHAT IS SWOT ANALYSIS

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- SWOT is an acronym for Strengths, Weaknesses, Opportunities, Threats. Occasionally, it may also be found as a 'WOTS up' analysis or the TOWS analysis. The technique is credited to Albert Humphrey who led a research project at Stanford University in the 1960s and 1970s using data from leading companies involved in long range planning processes.

# PLANNING TOOLS FOR SWOT ANALYSIS

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- A SWOT analysis is a planning tool used to understand key factors - strengths, weaknesses, opportunities, and threats - involved in a project or in an organisation. It involves stating the objective of the organisation or project and identifying the internal and external factors that are either supportive or unfavourable to achieving that objective. SWOT is often used as part of a strategic or planning process, but can be applied to help understand an organisation or a situation, and also for decision-making for many different scenarios.

- The value of SWOT lies mainly in the fact that it offers self-assessment for management. The methodology has the advantage of being used as both a 'quick and dirty' tool or a comprehensive management tool, and that one (the quick) can lead to the other (the comprehensive). This flexibility is one of the factors that has contributed to its success.
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- However, while the elements can appear deceptively simple and easy to apply, experience shows that to do a SWOT analysis that's both effective and meaningful, requires time and a significant resource. Deciding what the strengths and weaknesses of an organisation are, as well as assessing the impact and probability of opportunities and threats, is far more complex than first appears. It requires a team effort and can't be done effectively by just one person.
- Further, the inherent risk of making incorrect assumptions when assessing the SWOT elements can cause senior management to procrastinate when deciding between various strategic alternatives, frequently resulting in undesirable delays.

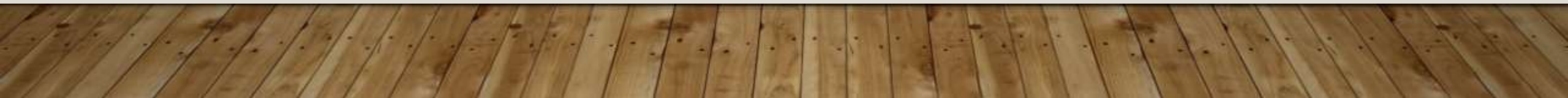
# THE SWOT FRAMEWORK

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- A SWOT analysis process generates information that is helpful in matching an organisation or group's goals, programs, and capacities to the environment in which it operates. The 'SWOT' itself is only a data capture exercise - the analysis follows later.

- **Strengths:** positive tangible and intangible attributes, internal to an organisation and within the organisation's control
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- **Weaknesses:** internal factors within an organisation's control that detract from the organisation's ability to attain the desired goal.
  - Which areas might the organisation improve?

- **Opportunities:** external attractive factors that represent the reason for an organisation to exist and develop. What opportunities exist in the environment, which will propel the organisation? Identify them by their 'time frames'.
- **Threats:** external factors beyond the organisation's control which could place the organisation mission or operation at risk. The organisation may benefit by having contingency plans to address them if they should occur. Classify them by their severity and probability of occurrence.





# IMPORTANT TO NOTE

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- It's important to note the strengths and weaknesses are intrinsic value-creating skills or assets, or the lack of these, relative to competitive forces. Opportunities and threats are external factors which are not created by the organisation, but emerge as a result of the competitive dynamics caused by future gaps in the market.
- PESTLE analysis is used to look at **opportunities and threats** (external) elements.

# THE SWOT PROCESS

DOING A SWOT ANALYSIS CAN BE VERY STRAIGHT FORWARD, BUT ITS STRENGTHS LIE IN ITS FLEXIBILITY AND EXPERIENCED APPLICATION.

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- Decide **how the information is to be collected** and by **whom (often a team approach is much more powerful than one person's view)**.
- **Identify appropriate sources of information.**
- **Gather the information** - it's useful to use a template as the basis for exploring the factors and recording the information. See our practical and ready-to-use template below.
- **Plot the findings.**
- **Identify the most important issues.**
- **Identify strategic options.**
- **Write a discussion document.**
- **Disseminate and discuss the findings.**
- Decide which activities are a priority in the context of the organisation's goals and values – a possible action plan framework appears below.



# SWOT ANALYSIS TEMPLATE PDF

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- [click here](#)

# SWOT ANALYSIS TIPS

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- Collaborate - an analysis that involves multiple perspectives will deliver a better outcome.
- Use expertise and resources that are already available within the organisation.
- Use SWOT analysis in conjunction with other techniques, such as PESTLE analysis.
- Incorporate the analysis into an ongoing process for monitoring changes in the business environment.
- Try not to get bogged down collecting vast amounts of detailed information without analysing and understanding your findings appropriately.
- Don't jump to conclusions about the future based on the past or present.

# WHEN TO USE A SWOT ANALYSIS

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- Workshop sessions.
- Generating ideas and solutions.
- Problem solving.
- Planning.
- Strategic planning (with PESTLE).
- Product evaluation.
- Competitor evaluation (with Porter's five forces).
- Personal development planning.
- Decision making (with Lewin's force field analysis).

**For example, using SWOT in a team meeting might include the following steps:**

Invite contributors to participate in the SWOT process.  
Explain the process and establish ground rules.  
Identify strengths.  
Identify weaknesses.  
Identify or list the opportunities and threats – this may well have been identified from a PESTLE analysis previously.  
Establish priorities – from your mission, vision and values work.  
Question each list.  
Plan for action.

# ADVANTAGES INCLUDE:

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- It's a simple four box framework.
- It facilitates an understanding of the strengths and weaknesses of the organisation.
- It encourages the development of strategic thinking.
- It enables senior managers to focus on strengths and build opportunities.
- It can enable an organisation to anticipate future business threats and take action to avoid or minimise their impact.
- It can enable an organisation to spot business opportunities and exploit them fully.
- It's flexible.

# DISADVANTAGES INCLUDE:

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- Some SWOT analysis users oversimplify the amount of data used for decisions – it's easy to use insufficient data.
- The risk of capturing too much data may lead to 'paralysis by analysis'.
- The data used may be based on assumptions that later prove to be unfounded.
- Access to quality internal data sources can be time consuming and politically difficult (especially in more complex organisations – parent company, etc).
- It lacks detailed structure, so key elements may get missed.
- The pace of change makes it increasingly difficult to anticipate developments that may affect an organisation in the future.
- To be effective, the process needs to be repeated on a regular basis.

# THANK YOU

