

SWOT analysis looks at your strengths and weaknesses, and the opportunities and threats your business faces.

By focusing on the key factors affecting your business, now and in the future, a SWOT analysis provides a clear basis for examining your business performance and prospects. This briefing outlines:

- Typical strengths, weaknesses, opportunities and threats, and how to identify them.
- How to use SWOT analysis to drive your business forward.

1 Self-analysis

Use SWOT analysis as part of a regular process of reviewing your business performance.

You may also want to carry out a SWOT analysis in preparation for raising finance or before bringing in consultants to review your business.

1.1 Decide who to involve.

- Key participants are likely to include the managing director and heads of department. Involving others will give a fuller picture and help to gain their commitment to the process. Find out what customers think using a customer satisfaction survey.
- Consider bringing in sympathetic outsiders who know your business and market (eg customers and suppliers).
- Many businesses find a consultant most useful for their first SWOT analysis.

1.2 Brainstorm the issues. Ask everyone to identify any strengths or weaknesses they feel the business has, and any opportunities or threats they think the business faces.

- Encourage participants to make suggestions without trying to judge how important the issue is.
- Concentrate especially on identifying weaknesses and threats.
- Be aware that lack of honesty is a common problem. For example, most people find it easier to identify strengths and opportunities, particularly if the performance of key people (including yourself) is one of the weaknesses.
- You may want to use checklists to prompt further suggestions (see 2, 3, 4 and 5).

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