

SWOT ANALYSIS

A Snapshot of Your Business

A SWOT analysis (Strength, Weakness, Opportunity, Threat) allows you to evaluate current position and develop a strong business strategy by considering both the internal and external factors that may help or hinder your progress.

The items given are examples for an overall analysis of the business, however when performing the SWOT analysis with a specific idea in mind, such as taking advantage of a new business opportunity, you will want to tailor each section to the intention at hand.

Rate each of the items below on a scale of 1 to 10 where 10 is the highest – for example your business is incredibly strong in that area or it's a huge opportunity – and 1 is the lowest, meaning those are the worst areas of your business or your number one threats.

Ironically those areas that are really weak or a threat can be the greatest opportunities – but you can think on that later!

If you think a given point is both a strength AND a weakness, or an opportunity AND a threat, which can happen, look at it again. Sometimes this is genuinely the case, however, people often think 'Well, we're going to fix that, so it's a strength' or 'that was a strength, but because of what's about to happen, it's becoming a weakness.' In this instance, people are looking at the business from the point of view of the past or the future rather than the present—where the business is at today.

What is it today? Right now?

It's important to establish the impact of each issue on your business. As you answer each question, ask yourself how much impact do you feel this issue has on your business? How significant an issue is it? For example, if an item has a great impact, the number rating would be 8 or 9. If it had little impact, it could be 2 or 3. If it exists and you need to be aware of it, it might have an average impact of 5.

Once you have completed each section work out your average score for each area. If your average score for a section is 5 or below – that would be a weakness or a threat, if it's 6 or above it's a strength or an opportunity.

Once that's complete, figure out your overall average – is the business as a whole in a strength or weakness position or an opportunity or threat position?



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STRENGTHS AND WEAKNESSES:

These are internal factors- all about you and your business- what are you doing well? What needs to be worked on? Remember you may need to consider your competition as well; is your strength *unique* in your market or is it simply a requirement to stay in line with competitors? Your strengths should set you apart from the crowd.

SALES AND PERFORMANCE

Score 1-10

Pricing policies

Meeting customer needs and wants

Sales level compared to capacity

Market share

Profit performance

Marketing plan and budget

Other areas if any:

Average Score:

Strength or Weakness?

PERSONNEL

Score 1-10

Experience and expertise of your team

Training given to the team

Using team capacity

Team motivation and satisfaction

Regular team meetings

Using an Accountant or Lawyer

Other areas if any:

Average Score:

Strength or Weakness?



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PHYSICAL RESOURCES

Score 1-10

Adequacy of premises
Effectiveness of machinery and equipment
Other areas if any:

Average Score:
Strength or Weakness?

FINANCIAL RESOURCES

Score 1-10

Effective purchasing system
Cash flow
Accessing additional funding
Accessing financial information
Analysing financial indicators
Debt collection system
Other areas if any:

Average Score:
Strength or Weakness?

Potential for growth or improvement

Strength or Weakness?

Total Overall Score:
Overall Position: Strength or Weakness?



OPPORTUNITIES & THREATS

These are external factors- looking at opportunities for growth and increased profits through new market trends or responding to consumer feedback and being aware of competitors and economic changes that may put your business at risk.

ECONOMY

Score 1-10

Economic condition of the country/world

Current interest rates

Family disposable income

Other areas if any:

Average Score:

Opportunity or Threat?

COMPETITORS

Score 1-10

Products and services

Pricing policies

Performance

Customer base

Other areas if any:

Average Score:

Opportunity or Threat?

TECHNOLOGY

Score 1-10

Innovations in manufacturing

Technological development of product

Other areas if any:

Average Score:

Opportunity or Threat?



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SOCIAL PATTERNS

Score 1-10

Population makeup e.g. aging
Status of women/young
people
Percentage of work to leisure
Standard of living
Other areas if any:

Average Score:
Opportunity or Threat?

ENVIRONMENTAL/LEGAL ISSUES **Score 1-10**

Current environmental issues
Changes in legislation
Other areas if any:

Average Score:
Opportunity or Threat?

PHYSICAL FACTORS **Score 1-10**

Climatic conditions
Physical infrastructure
Other areas if any:

Average Score:
Opportunity or Threat?

Total Overall Score:
Overall Position: Opportunity or Threat?

It is recommended to conduct a SWOT analysis every 6 months or whenever you face a major decision for your business, such as hiring for key position, introducing new products, creating new marketing campaign, etc.

