



SWOT Analysis

An important process in any successful business is the SWOT Analysis. But what exactly is it and how should you go about completing one.

What is a SWOT Analysis?

SWOT is simply an acronym for:

Strengths
Weaknesses
Opportunities
Threats.

Strengths and Weaknesses:

- Are Internal to your Business
- You have control over
- Maintain and Improve your Strengths
- Minimise and Eliminate your Weaknesses.

Opportunities and Threats:

- Are External to your Business
- You have no direct control over
- Target Opportunities and take full advantage of them
- Defend against Threats to minimise their impact.

How often should you perform a SWOT Analysis?

A SWOT Analysis should be performed at the following times:

- At a Business start up
- At the end of every financial year
- When the business is not hitting it's targets and budgets
- When you have an unusual loss of employees.

How do you complete a SWOT Analysis?

A SWOT Analysis should always include as many staff as possible. This will not only give you more perspectives (and therefore ideas), but will also improve your staffs' sense of ownership in the business.

A SWOT Analysis is completed by going through the following steps:

1. Brainstorming

Get all staff involved into the one room (preferably away from the business) with a Flip Chart. Then start brainstorming each of the areas. To ensure that all areas are covered, it is worthwhile working your way through all the functional areas of the business. That is:

- Marketing

- Sales
- Operations
- Finance
- Administration
- Human Resource
- Legal
- Management

I would also include the last section of Customer Service (as this is why you exist).

Do not discuss the suggestions too much as it will cause the process to get bogged down. The main focus is to get as many suggestions/ideas on each area.

2. Prioritise

Once you have exhausted everyone's ideas and suggestions, you need to go through and prioritise each area. The best method here is to use the ABC method. This is where you assign an A, B or C to each suggestion, using the following definition.

- A Must be done (Failure to do so **will** impact on the business)
- B Should be done (Failure to do so **may** have an impact on the business)
- C Nice to be done (No real impact on business success – feel good)

If you want to take this a step further, you can then number each rating from 1 onwards.

3. Develop Action Plan

Taking into account your priorities and decide which suggestions you want to work on. Put these into an Action Plan and assign responsibilities and a timeframe. Ensure you include the people you are assigning these to in the process, so that they have complete buy in.

4. Take Action and Review

A common mistake businesses make when completing a SWOT Analysis, is that they never really take action on what is identified. They get sucked back into the day to day.

So don't allow this to happen. It is imperative that you complete the Action Plan and meet regularly to review its progress.

If you follow this 4 step process at least once a year, your business will definitely improve.