



SWOT ANALYSIS

WHAT IT IS AND HOW TO WRITE ONE.

SiGNAL
Martinique House
Hampshire Road
GU35 0HZ
01420 556335
www.signalbordon.org
work@signalbordon.org

What is a SWOT Analysis

A SWOT analysis is a simple but powerful framework that evaluates a business from four perspectives: strengths, weaknesses, opportunities, and threats.

And it can help you assess almost any aspect of your business. To help you make more informed decisions.

In short, a SWOT analysis asks you to list (and analyse) the following:

- What's working for your business (strengths)
- What's not working (weaknesses)
- The external factors your business could capitalise on (opportunities)
- The external factors that could harm your business (threats)

It's a simple brainstorming exercise that helps you uncover strategic ways to improve your business.

Why Is a SWOT Analysis Important?

A SWOT analysis is a valuable framework that can help you evaluate your business from different angles. And discover new ways to grow and improve.

By doing a SWOT analysis, you can:

- Use your strengths to stand out from your competitors
- Address your weaknesses before they hurt you
- Find and seize new opportunities
- Prepare for and avoid potential threats

Which means:

A SWOT analysis can help you make smarter decisions, plan better, and reach your goals faster.



What Are the Components of a SWOT Analysis?

A SWOT analysis evaluates a business or project based on four key factors that can be divided into two categories: internal and external.

Here's how you might think about filling out a SWOT chart based on these two categories:

Internal factors

Internal factors are the aspects of your business within your control. They include resources, capabilities, skills, assets, and competitive advantages.

And they can be divided further into two categories: strengths and weaknesses.

Strengths

Strengths are the positive attributes that give you an advantage over competitors. They're the things that you do well, you're proud of, and help you stand out.

Some examples of strengths are:

- A loyal customer base
- A strong brand reputation
- A unique product or service
- A skilled and motivated team
- A high-quality website

Weaknesses

Weaknesses are your business's negative attributes that limit your performance or hinder your growth. They're the things you need to improve, fix, or avoid.

Some examples of weaknesses are:

- A lack of financial resources
- A high turnover rate
- A weak online presence
- A low customer satisfaction rate
- A low-quality product or service



External factors

External factors are the aspects of your business that are outside of your control. These can include trends, events, economic changes, and the competitive landscape.

And they can also be divided into two categories: opportunities and threats.

Opportunities

Opportunities are favourable situations or conditions you can leverage to achieve your business goals. In other words, things you can use to your advantage or benefit from.

Some SWOT analysis opportunities examples are:

- A growing demand for your product or service
- A new market segment or niche
- A new technology that automates routine tasks
- A new partnership or collaboration

Threats

Threats are unfavourable situations or conditions that can harm your business. They're risks or challenges you need to recognise.

Some examples of threats are:

- A declining demand for your product or service
- A new competitor or alternative
- A new technology that makes one of your services obsolete
- A negative publicity campaign
- A change in regulation or policy

Now that you know about the different components, let's take a look at exactly how to do a SWOT analysis.

How to Do a SWOT Analysis (6 Simple Steps)

A SWOT analysis is an assessment of your business's strengths, weaknesses, opportunities, and threats.

But it's more than that. It's also a tool to strategically advance your business.

And that means going beyond a simple list of facts.

Here's how to do a SWOT analysis the right way:



SWOT in 6 Simple Steps

1

Establish Your Goal

It's best to do a SWOT analysis with a goal in mind. Use this formula to come up with your analysis goal: my business needs X. We can meet those needs by doing X,X, and X

2

Assess Strengths

Discuss what you do well, what your customers and partners love about you, and how you differ from your competitors

3

Uncover Weaknesses

Discuss what you can improve, what your customer and partners complain about, and how your competitors outpace you

4

Consider Opportunities

Uncover external factors that you can use to your advantage to accelerate growth

5

Identify Threats

Uncover external factors that could harm your business and stop you from reaching your goals

6

Narrow Your Lists

Identify the most important points in each quadrant using the Impact Matrix



SWOT Analysis Questions

Strengths

- What do we do well?
- What have our customers or partners told us they like about us?
- In what areas do we outpace our competitors?
- What's unique about our business, products, or services?
- What assets do we own (intellectual property, proprietary technology, capital)?

Weaknesses

- What can we improve?
- What are our customers or partners dissatisfied with?
- In what ways are our competitors better than us?
- Where are we lacking in knowledge or resources?

Opportunities

- What emerging trends can we take advantage of?
- Which of our strengths is valuable to potential partners?
- What adjacent markets can we tap into?
- Are there locations or spaces with less competition?
- Can we share our story or successes with the world?

Threats

- What is our competition doing that we aren't?
- How can our weaknesses leave us vulnerable?
- What market trends are we unprepared for?
- Which economic or political issues could impact our business?



SWOT Analysis

Goal:

Strengths

Weaknesses

Opportunities

Threats



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The Impact Matrix

Place each strength, weakness, opportunity, and threat into its appropriate quadrant based on the required effort and potential impact

The items in the top left quadrant are likely to be your best options. Because they'll have the most impact for the least effort.

Quick Wins

Items that are easy to implement and have high business impact.

Big Bets

Items that are difficult to implement but have high business impact.

Fill-Ins

items that are easy to implement but have low business impact.

Thankless Tasks

Items that are difficult to implement and have little to no business impact.



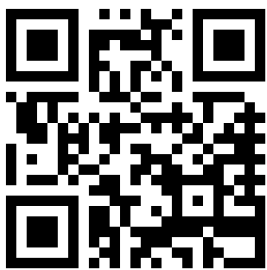
At SiGNAL we provide workspaces to help you get your business off the ground and grow. From meeting rooms, offices and desk hire, we have workspaces for entrepreneurs, sole traders and micro businesses right in the heart of Bordon.

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Find out more about SiGNAL by visiting our website.

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