How to make a SWOT analysis in 5 easy steps?

Description

Learn how to develop a winning SWOT analysis for your business! Our simple guide will show you how to identify strengths, weaknesses, opportunities, and threats. Download a swot template here.

Describe the internal Strengths and Weaknesses of your company and the external Opportunities and Threats for your company. In addition, it is possible to do so by a confrontation mix against the strengths, weaknesses, opportunities and threats against each other and to prioritize them strategically.

1. The Factors

What makes the company or concept stand out? Strengths are about internal (company) strengths. These could include innovativeness, excellent services, a strong brand, user-friendly online concepts, impressive logistics, or good management and leadership. Choose the top five that have the most influence and power.

Identify the organizationâ??s weaknesses â?? the areas that need improvement. Examples include a weak sales team, a slow IT department, slow bureaucracy, poor management, or a lack of customer focus. Note down the top 5 weaknesses that have the biggest impact.

Then move to Opportunities: What are market or *external* Opportunities? Maybe a new target group develops (new generation of consumers), or a new technology adoption (say for example solar sustainable technologies), or a new distribution concept (direct distribution for example direct online selling), drones for agriculture (which helps mapping and crop yield management). List lots of opportunities, keep them as a separate list, then select the best 5 you could image with the highest impact.

Then go to Threats: What could be *external* Threats: think of competitors maybe from other industries or countries, you didnâ??t know. (For example: Alibaba vs Amazon). Maybe it could be a hostile takeover, Maybe you have an old business model that is decaying in this

digital age. Or things you didnâ??t know, like pandemics.Think of trends that might impact the organization negatively (otherwise this is an Opportunity). While creating this look to the future. (so you need to be aware of the trends and business environment).

STRENGTHS

What are the strengths of your company? Focus on answering this question on the internal aspects of your company.

WEAKNESSES

What are the weaknesses of your company answering this question on the internal aspe company.

OPPORTUNITIES

What are the opportunities for your company in the future? Focus on answering this question for external factors that influence your company.

THREATS

What are the threats to your company in the on answering this question on the external influence your company**.**

2. Put the combination in a table

Now you have 5 Strengths, 5 Weaknesses (internal) and 5 Opportunities and 5 Threats (external). Put them in a 4Ã?4 rows and columns table. Cross reference them. Say combine Strength with Opportunities, for example: great IT management (internal Strength) and new solar technologies (external Opportunity). This yields a strong opportunity which your company might really deliver successfully on.

Also combine Weakness with Threats: say poor management and strong competition. It could be then likely (in the longer term) that your company could be ready for a takeover. Go on combining Strength with Opportunities and the other elements,

Now that you have your four quadrants, it is time to select the most important ones. Consider the different perspectives of others and communicate with them to come up with a list. Once you have your list, pick the top two items from each quadrant that will have the greatest impact.

These are your Issues to work on. Sure there a lot more of them here, but selecting them is hard, but needed. Leave the concept list as list available for later. So you do have the list, but also the top Issue list, youâ??ll address in your plan.

3. Select the Major Issues

Once you identify the 5 major issues you want to address, develop a business approach to tackle them. This may include the need for more logistics, services, junior staff to develop online presence, improved distribution partner relations, technology adoption, and better monetization. Your approach should be tailored to your specific needs.

The Issues and the SWOT analysis are in the plan *before Goals and Targets*. This is needed as the Issue list is the high level element you try to fix in your business approach. Your plan should then create an operational action plan to fix these issues.

4. Discuss with peers

Thatâ??s it. You see SWOT analysis gets you thinking ahead and it helps to create an improved structure in your approach for your plan. However it could be a bit arbitrary, so join forces with your colleagues and peers and discuss the SWOT quadrant and Issues with them. This will create support for later of the realization of the action plan as well. (thus facilitating and helping execution later).

5. Map it in a table and create it on 1 A4 page

Keeping your SWOT Analysis up-to-date is a great way to stay ahead of the game. Make sure to update it yearly, as markets, segments, technology, and the business environment are constantly changing. Incorporate this Analysis into your year plan in the form of a one-page A4 document and use a table format for easier readability.

Thats it! Good luck making a SWOT analysis for your business!

Do you want to create a SWOT analysis? Download a swot template here.

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