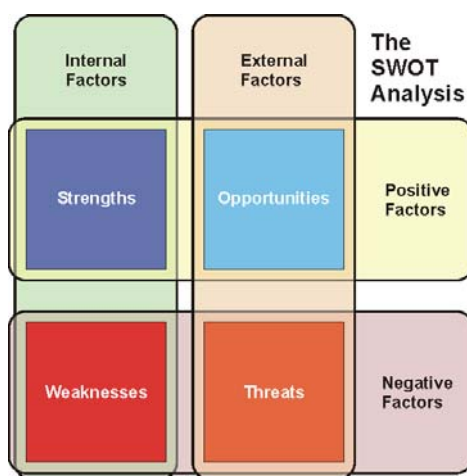




The SWOT Analysis

Overview:

The SWOT analysis stands for an analysis of the Strength, Weakness, Opportunities and Threats. It can be applied to almost any organisation, department, team or individual. Its popularity stems from its universal applicability and that it does not require extensive training to use it effectively.



The SWOT analysis is a two part approach in that the Strengths and Weaknesses are internal issues to the company whereas the Opportunities and Threats are usually external factors.

Origins:

Unknown: it is likely it is an amalgamation of Strength/Weakness analysis and Opportunity/ Threats analysis. The memorable mnemonic acronym certainly helps its popularity. It has been in use since at least 1966

Using the SWOT analysis:

When used as part of an overall strategic analysis, the SWOT can provide a good overview of the possible strategic options. For example, when SWOT follows a PEST analysis (the Political, Economic, Social and Technological factors that determines the business environment), then the framework set by the PEST allows a more structured SWOT analysis. The SWOT analysis then becomes an examination of particular Strengths and Weaknesses that gives rise to specific Opportunities (to exploit the Strengths) and Threats (caused by the Weaknesses).

Issues with using SWOT:

However, the SWOT is very subjective analysis and often two people will come up with completely different factors in the same SWOT analysis. This is partly because the analysis is so intuitive that anyone can express their opinions on the SWOT of any given situation, especially since it does not need bundles of numbers and facts to achieve a reasonable result.

Resources:

The Marketing Teacher website <http://www.marketingteacher.com>

The Chartered Institute of Marketing <http://www.cim.co.uk>

Johnson, G & Scholes, K., Exploring Corporate Strategy, 6th Edition, Prentice Hall, 2002

Many other titles and textbooks on corporate strategy will also cover the SWOT analysis.