

Conduct a SWOT analysis

A SWOT analysis is a management tool that helps you to isolate key issues and to facilitate a strategic approach by:

- Building on **strengths**.
- Minimising **weaknesses**.
- Seizing **opportunities**.
- Counteracting **threats**.

The technique is extremely useful in developing a business, strategic or marketing plan. Once you are clear about your objective, the approach can be tailored to meet the needs of your business.

In a group situation, the steps to conduct a SWOT analysis are:

1. Invite contributors to participate in the SWOT analysis

The best results are often achieved when contributors are given time to prepare, by conducting their own SWOT in advance. Provide a draft SWOT, comprising a brief description with adequate space to record what they see as being strengths, weaknesses, opportunities and threats. This can be undertaken by conducting discussions or surveys with stakeholder colleagues who will not be involved in the process.

2. Explain the process and establish ground rules

When the group is assembled, explain the process of documenting strengths, weaknesses, opportunities and threats; prioritising those lists, and using that information as part of the strategic, business or marketing plans.

Explain that the SWOT process is a co-operative exercise aimed at organisational improvement – not about allocating blame. Assure all participations that their contributions will be respected. Ground rules include:

- Everyone's ideas are important.
- Every idea is a good idea.
- No one idea is better than the other.
- Suggesting an idea does not mean that you will be expected to carry it out if it is respected.
- Except in the case of an emergency, participants commit to remaining on task until completion.

3. List strengths

Participants assemble their lists of strengths identified before the workshop. Invite them to form pairs and develop one combined list. Pairs then combine to form fours, and the process is repeated. Sets of four then combine to form eight, and again the process is repeated. Each set of eight then presents its list.



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The list of strengths is developed incorporating all contributions. The list is finalised by asking participants to reword any descriptions or include any additional strengths that may have been considered during the process.

Examples of strengths could include issues relating to employees, location, pricing and competitiveness.

4. Identify weaknesses

Repeat the process for strengths to generate a list of weaknesses reflecting the participants' contributions. The list will also provide a useful indication of growth over a period. When you review the list in a year's time, chances are you will notice that most of the identified weaknesses have disappeared. Even though other weaknesses will be identified, the disappearance of previous ones is an indicator of successful progress.

Examples of weaknesses could include absence of new products or customers, staff absenteeism, declining market for new products and distance to market.

5. List opportunities and threats

Repeat the process for strengths and weaknesses. The focus now becomes external, as opposed to internal for strengths and weaknesses. Appreciate that opportunities and threats are not absolute – one person's threat can be another's opportunity. However, the same item won't appear on both lists.

Opportunities could include new technology, better training programs, diverse marketplace and change of government.

Threats could include increasing unemployment, higher interest rates and environmental legislation.

6. Establish priorities

When you have completed the process, you will have four lists developed from everyone's input. Ideally, these lists should be displayed side-by-side so that participants have an accurate and succinct picture of everyone's views of the current situation. Work your way through each list to establish a top five priority.

7. Question each list

Encourage group discussion about the four prioritised lists by asking:

1. How can we use our strengths to enable us to take advantage of the opportunities identified?
2. How can we use these strengths to overcome the threats identified?
3. What do we need to do to overcome the identified weaknesses in order to take advantage of the opportunities?
4. How will we minimise the weaknesses to overcome the identified threats?



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8. Prepare for the next step

One option will be to use the four lists comprising about 20 topics to identify issues that are crucial to achieving the stated purpose of the business in which the company is involved. It is likely that you will be able to identify specific themes across all four lists. Try to restrict the number of themes to about six.

Further information

The following fact sheets provide further information on these issues:

- Benchmarking
- Business planning
- Gain employee commitment