

SWOT Analysis

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SWOT stands for Strengths, Weaknesses, Opportunities, and Threats. Developed by Albert S. Humphreys in the 1960s the SWOT analysis can be used for several significant purposes:

1. As a warm-up exercise for a bigger strategic discussion.
2. To evaluate a project or decision.
3. For serious strategic evaluation in your planning process.

A SWOT is a “reality interrogation” tool. It is arranged in the following 2x2 matrix:

Internal Focus →	Strengths	Weaknesses
External Focus →	Opportunities	Threats

The Strengths and Weaknesses focus on your internal systems, resources, people, etc.

The Opportunities and Threats focus on your external conditions, competition, risks, etc.

The power of a SWOT analysis is two-fold. First, a SWOT analysis requires you to understand your situation deeply. Our usual tendency is to rush through decisions thinking we know “what is” really well, only to find out later we missed some critical pieces. Second, a SWOT analysis will keep you from making a straight-line leap from identifying a problem to a single, proposed solution without understanding the conditions that will impact your success or failure.

Strengths

Strengths are where you investigate your internal resources and capabilities. Ask yourself questions like the following:

- What do we do well?
- What do others perceive as strengths about us?
- What skills, experiences, and capabilities do our people have?
- What history and experience do we have to draw upon as an organization?
- How do our organizational culture, attitudes and behaviors relate to this item?

Weaknesses

Weaknesses take courage to face. Ask yourself questions like the following:

- What are our known vulnerabilities? (financial, people, experiences)
- How do our past successes and failures relate to and influence this decision?
- What resources, capabilities, or people are we lacking for this project?
- How does our current calendar, deadlines, timeframes, etc. impact this idea?
- What is the current state of our morale, leadership capacity, level of commitment?

Opportunities

Opportunities move us to our external situation. Ask yourself questions like these:

- What good opportunities will this allow us to capitalize upon?

- What trends are occurring around us we can take advantage of?
- What events are happening that provide a positive situation for us at this time?
- What partnerships can we bless and be a blessing to?

Threats

Threats ask us to be realistic about those situations that could derail us. Ask questions like these:

- What obstacles do we face?
- What competition do we have and what are they doing?
- Are there quality standards, expectations, requirements we will have to meet?
- Is the environment conducive to this situation or not? (political, environmental, market, economy, seasonality, etc.)
- How will this impact our current obligations and partnerships?

One important key in doing a SWOT analysis is to be both comprehensive and specific. Don't short change yourself by "overlooking" something that is troubling. Beware of your own blind spots. Run your SWOT by others so you can get feedback that clarifies your reality.

A printable copy of a SWOT analysis is provided on the following page.

SWOT Analysis

What we are investigating: _____

This is a (circle one): **DECISION** **ACTION** **PROBLEM**

<p>STRENGTHS:</p> <ul style="list-style-type: none">• What do we do well?• What skills, experiences, and capabilities do our people have?• What history and experience do we have to draw upon as an organization?	<p>WEAKNESSES:</p> <ul style="list-style-type: none">• What are our known vulnerabilities? (financial, people, experiences)• How do our past successes and failures relate to and influence this decision?• What resources, capabilities, or people are we lacking for this project?
<p>OPPORTUNITIES:</p> <ul style="list-style-type: none">• What good opportunities will this allow us to capitalize upon?• What events are happening that provide a positive situation for us at this time?• What partnerships can we bless and be a blessing to?	<p>THREATS:</p> <ul style="list-style-type: none">• What obstacles do we face?• Are there quality standards, expectations, requirements we will have to meet?• How will this impact our current obligations and partnerships?